

1 RON BENDER (SBN 143364)
2 JOHN-PATRICK M. FRITZ (SBN 245240)
3 LEVENE, NEALE, BENDER, YOO & GOLUBCHIK L.L.P.
4 2818 La Cienega Avenue
5 Los Angeles, California 90034
6 Telephone: (310) 229-1234
7 Facsimile: (310) 229-1244
8 Email: RB@LNBYG.COM; JPF@LNBYG.COM

9 Counsel for Chapter 11 Debtor and Debtor in Possession

10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

In re:

BRITELAB, INC.,
a Delaware corporation

Debtor and Debtor in Possession.

Case No.: 23-51520

Chapter 11 Case (Subchapter V)

Debtor's Emergency Motion for an Order (I) Authorizing Debtor to Obtain Post-petition Financing Pursuant to 11 U.S.C. § 364(c) & (d) on an Interim Basis; (II) Setting a Hearing on Final Basis; and (III) Granting Related Relief; Memorandum of Points and Authorities

[Declaration of Ali Bushehri in Support Filed Separately and Concurrently]

Emergency Hearing Requested:

Date: To be set by court
Time: To be set by court
Place: United States Courthouse
Courtroom 9
280 South First Street
San Jose, CA 95113-3099¹

¹ The hearing on this matter will take place remotely by video or telephone. No in-person appearance in the courtroom is available. The Bankruptcy Court's website provides information regarding how to arrange an appearance at a video or telephonic hearing. If you have questions about how to participate in a video or telephonic hearing, you may contact the courtroom deputy, Anna Lee, at (408) 278-7517 or email her at: anna_e_lee@canb.uscourts.gov. See also www.canb.uscourts.gov/calendars.

Pursuant to 11 U.S.C. §§ 363(b) and 364(c) & (d), Rules 4001(c) and 9014 of the Federal Rules of Bankruptcy Procedure (“FRBP”), and Bankruptcy Local Rule (“BLR”) 9014-1 BriteLab, Inc., a Delaware corporation (the “Debtor”), the debtor and debtor in possession in the above-referenced chapter 11 case, respectfully files this “Debtor’s Motion for an Order: (I) Authorizing Debtor to Obtain Post-Petition Financing Pursuant to 11 U.S.C. § 364(c) & (d) on an Interim Basis; (II) Setting a Hearing on Final Basis; and (III) Granting Related Relief” (the “Motion”), seeking approval of post-petition financing on the terms set forth in the Factoring and Security Agreement (the “FS Agreement”) attached as **Exhibit 1** to the separately and concurrently filed declaration of Ali Bushehri (the “Bushehri Declaration”) and entry of an order substantially in the form of the proposed interim order (the “Interim Order”) attached as **Exhibit 2** to the Bushehri Declaration authorizing the Debtor to use funds in accordance with the budget (the “Budget”) annexed as **Exhibit 3** hereto on an interim basis to avoid immediate and irreparable harm pending a final hearing.

INTRODUCTORY STATEMENT PURSUANT TO THE GUIDELINES FOR CASH
COLATERAL & FINANCING MOTIONS AND STIPULATIONS FOR THE BANKRUPTCY
COURTS FOR THE NORTHERN DISTRICT OF CALIFORNIA

This Motion requests authority and approval for two post-petition financing loans – first, an unsecured bridge loan for \$750,000 from the Debtor’s parent corporation funded in July and repaid in August, and, second, a longer-term secured loan from a third party, Clear Coast Capital, LLC, as detailed below.

BRIDGE LOAN

The material provisions of the proposed credit agreement are as follows:

1. Lender: BSC Investment Group, Inc.
2. Facility Amount: Seven-Hundred Thousand Dollars (\$750,000)
3. Minimum Facility: None.
4. Collateral/Liens: None. Administrative Priority Pursuant to 11 U.S.C. § 364(b) as an administrative expense.
5. Term: Maturity date of August 31, 2024

6. Interest rate: 0%.
7. Fees: None.
8. Events of Default: Failure to repay the loan by August 31, 2024.
9. Guaranty: None.
10. Documentation: None. Due to the short-term nature of the bridge loan, the only documentation is anticipated to be this Motion and the order(s) thereon.

LONG-TERM LOAN

The material provisions of the proposed credit agreement are as follows:

1. Lender: Clear Coast Capital, LLC
2. Factoring: Sale of accounts receivable
3. Production Orders Financing (“PO Financing”)
4. Facility Amount: Three Million Dollars (\$3,000,000)
5. Minimum Facility: Debtor must use a minimum of 30% of the facility amount quarterly
6. Collateral: Accounts receivable, equipment, and all other property of the Debtor
7. Term: 36 months
8. Advance rate: Not to exceed 85% of invoice face value up to 90 days from invoice date
9. Fees:
 - a. Factoring fee of 2.15% against the face value of each invoice for the first 30-day period and 0.85% every 10-day period thereafter (based on amount of funds advanced)
 - b. PO Financing of 3.65% for the first 30-day period and 1.25% every 10-day period thereafter (based on amount of funds advanced)
 - c. Credit Insurance Fee of 0.35% will be added to the face amount of the invoice
 - d. Default Fee of 21% simple interest per annum upon a Default
 - e. Dispute Fee of 40% if a dispute arises regarding collection
 - f. Termination Fee: 50% of the earned fees based on monthly minimum
10. Legal Fees: One-time \$2,500 legal/closing fee plus initial legal fee deposit for coal counsel of \$5,000.

11. Events of Default: (a) 25% or more of factored AR has aged 90 days without payment; (b) Debtor fails to pay charges or fees; (c) representations and warranties are untrue; (d) Debtor fails to adhere to obligations under the Agreement; (e) Lender reasonably deems itself to be insecure.

12. Liens: first-position senior lien on all Debtor's assets under 11 U.S.C. § 364(c) & (d)

13. Direct payment: customers will be notified to remit payments directly to Lender's lockbox

14. Guaranty: personal guaranty by owners of the Debtor

Pursuant to FRBP 4001 and the Guidelines for Cash Collateral & Financing Motions & Stipulations (the "Guidelines") promulgated by the Bankruptcy Court for the Northern District of California, the Debtor hereby provides the following disclosures with respect to the terms of the FS Agreement:

<u>Reference</u>		<u>FS Agreement</u>
FRBP 4001(c)(1)(B)(i) Guidelines 1	A grant of priority or a lien on property of the estate under § 364(c) or (d)	Yes - ¶8
FRBP 4001(c)(1)(B)(ii) Guidelines 2	The providing of adequate protection or priority for a claim that arose before the commencement of the case, including the granting of a lien on property of the estate to secure the claim, or the use of property of the estate or credit obtained under § 364 to make cash payments on account of the claim	N/A
FRBP 4001(c)(1)(B)(iii) Guidelines 3	A determination of the validity, enforceability, priority, or amount of a claim that arose before the commencement of the case, or of any lien securing the claim	N/A
FRBP 4001(c)(1)(B)(iv) Guidelines 4	A waiver or modification of Code provisions or applicable rulings relating to the automatic stay	Yes - ¶17
FRBP 4001(c)(1)(B)(v) Guidelines 5	A waiver or modification of any entity's authority or right to file a plan, seek an extension of time in which the debtor has the exclusive right to file a plan, request the use of cash collateral under § 363(c), or request to obtain authority to obtain credit under § 364	N/A

Reference		FS Agreement
FRBP 4001(c)(1)(B)(vi)	The establishment of deadlines for filing a plan of reorganization, for approval of a disclosure statement, for a hearing on confirmation, or for entry of a confirmation order	N/A
FRBP 4001(c)(1)(B)(vii) Guidelines 6	A waiver or modification of the applicability of nonbankruptcy law relating to the perfection of a lien on property of the estate, or on the foreclosure or other enforcement of the lien	N/A
FRBP 4001(c)(1)(B)(viii) Guidelines 7	A release, waiver, or limitation on any claim or other cause of action belonging to the estate or the trustee, including any modification of the statute of limitations or other deadline to commence an action	Yes - ¶22
FRBP 4001(c)(1)(B)(ix) Guidelines 8	The indemnification of an entity	Yes - ¶20
FRBP 4001(c)(1)(B)(x) Guidelines 9	A release, waiver, or limitation of any right under Section 506(c)	N/A
FRBP 4001(c)(1)(B)(xi) Guidelines 10	The granting of a lien on any claim or cause of action arising under Sections 544, 545, 547, 548, 549, 553(b), 723(a), or 724(a)	Yes - ¶8 (and Interim Order ¶E) ²
Guidelines 11	Provisions for “carve-outs” for professionals’ fees and expenses	N/A

In order to provide maximum notice of this Motion, concurrently with the filing of this Motion with the Court, the Debtor served this Motion by first class mail on the Debtor’s 20 largest unsecured creditors. In addition, the Debtor served the Motion and supporting papers by notice of electronic filing (“NEF”) on the Office of the United States Trustee (the “UST”) and the subchapter V trustee.

² The Debtor has requested that the DIP Lender lien on the estate’s avoidance actions be limited to potential causes of action against the account-debtors for which the factoring sale of accounts receivable would apply (which bears some rationale to the DIP Loan to the extent that the DIP Lender might try to collect on factored accounts but be blocked by an account debtor asserting a setoff defense if later sued the estate for an avoidance action). Based on the Debtor’s listing of transfers in the 90 days prior to the Petition Date [Dkt 29 at p.72-75], the Debtor believes it has no preferential transfer causes of action against its account-debtors, and the Debtor has no reason to believe there exist any fraudulent transfer or other avoidance actions against its account-debtors. Therefore, the Debtor does not believe the estate suffers any loss by permitting a lien on these subset of potential avoidance actions.

1 This Motion is based on this Motion, the annexed memorandum of points and authorities, the
2 separately and concurrently filed Bushehri Declaration, the record in this case, the arguments and
3 statements of counsel to be made at the hearing on the Motion, and other admissible evidence properly
4 brought before the Court.

5 **WHEREFORE**, the Debtor respectfully requests that the Court enter an order in substantially the
6 form as attached as **Exhibit 2** hereto:

7 1. Authorizing the Debtor to obtain postpetition financing up to the principal amount of
8 \$750,000 from BSC Investments, Inc. ("BSC"), as an administrative expense claim pursuant to 11 U.S.C.
9 § 364(b) with 0% interest and a maturity date of August 31, 2024;

10 2. Authorizing the Debtor to obtain postpetition financing and factoring sale of accounts
11 receivable up to the principal amount of \$3,000,000 (the "DIP Loan") from Clear Coast Capital, LLC (the
12 "Lender"), pursuant to the terms of a Factoring and Security Agreement (the "FS Agreement"), a true and
13 correct copy of which is attached hereto as **Exhibit "1"**, to (a) fund, among other things, ongoing working
14 capital, general corporate, and other financing needs of the Debtor, (b) pay certain transaction fees, and
15 other costs and expenses of administration of the Debtor's bankruptcy case (the "Case"), and (c) pay fees
16 expenses owed to the Lender pursuant to the FS Agreement;

17 3. Authorizing and empowering the Debtor to execute and enter into loan documents (the "DIP
18 Loan Documents") and all other related documents and agreements and to perform such other and further
19 acts as may be required in connection with the DIP Loan Documents;

20 4. Providing, pursuant to Sections 364(c), that the obligations under the DIP Loan Documents,
21 including, without limitation, principal, accrued interest, and all other obligations and amounts due from
22 time to time under the DIP Loan Documents be and be deemed immediately secured (without any further
23 filings) by valid, binding, continuing, enforceable, fully perfected, and unavoidable first senior priority
24 security interests and liens (the "DIP Liens") in and on all prepetition and postpetition property and assets
25 of the Debtor (the "Collateral"), provided, however, that the DIP Liens shall not extend or attach to, and
26 the Collateral shall not include, causes of action under Chapter 5 of the Bankruptcy Code, including without
27 limitation Sections 502(d), 544, 545, 547, 548, 549 and 550, any other avoidance actions under the
28

1 Bankruptcy Code, the Uniform Fraudulent Transfer Act, the Uniform Fraudulent Conveyance Act,
2 nonbankruptcy law, and the proceeds thereof, whether real or personal, tangible or intangible, and wherever
3 located, and whether now existing or hereafter acquired, including proceeds, products, offspring, rents and
4 profits thereof;

5 5. Vacating and modifying the automatic stay imposed by Section 362 solely to the extent
6 necessary to implement and effectuate the terms and provisions of the DIP Loan Documents and the Order;

7 6. Finding that adequate notice of the Motion has been provided to grant the Motion on an
8 interim basis pending a final hearing;

9 7. Finding that immediate and irreparable harm would result if interim relief were not granted
10 on an emergency basis to authorize the DIP Loan;

11 8. Waiving any applicable stay, including under FRBP 4001(b) and (c) and providing for the
12 immediate effectiveness of the Order;

13 9. Setting a final hearing on the Motion; and

14 10. Granting related relief that the Court deems just and proper under the circumstances of this
15 Case.

16 Dated: July 10, 2024

LEVENE, NEALE, BENDER, YOO
& GOLUBCHIK L.L.P.

18 By: /s/ John-Patrick M. Fritz

RON BENDER

JOHN-PATRICK M. FRITZ

Counsel for Chapter 11 Debtor and Debtor in Possession

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

MEMORANDUM OF POINTS AND AUTHORITIES

I. STATEMENT OF FACTS

A. GENERAL BACKGROUND.

1. On December 29, 2023 (the “Petition Date”), the Debtor filed a voluntary petition under Chapter 11 of 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”).³ The Debtor is a “debtor” as defined by Section 1182 of Subchapter V of Chapter 11 of the Bankruptcy Code and elected Subchapter V on its bankruptcy petition.

2. The United States Trustee (the “UST”) appointed Gina Klump as Subchapter V Trustee (the “Trustee”) in this case pursuant to Section 1183(a).

3. The Debtor continues to manage its financial affairs, operate its business, and administer its bankruptcy estate as a debtor in possession pursuant to Sections 1182(2) and 1184.

4. The Debtor was incorporated in Delaware in 2007.

5. The Debtor has approximately 48 employees. The Debtor operates its business from a leased location consisting of approximately 52,600 rentable square feet located at 6341-6371 San Ignacio Avenue in San Jose, California.

6. The Debtor began as a revolutionary Original Design Manufacturer (ODM) focusing on commercializing its industry proven Adaptive Build On Target (ABOT) productization platform. The Debtor also solves the problem of semiconductor shortages by increasing manufacturing efficiency through its superior automated material handling system (AMHS) allowing it to address a growing \$1.25-billion market with 6% Compound Annual Growth Rate (CAGR) projected through 2025 with only two dominant players.

7. The Debtor specializes in highly-complex and precision-system engineering and assembly for Robotics, Automation, and Electro-Mechanical contract engineering / contract manufacturing (CE/CM) industries. The global CE/CM service market has grown significantly to cover technologies and sub-

³ Unless otherwise stated, all Section references herein are to the Bankruptcy Code.

1 technologies e.g., Semiconductor System and Sub-System assemblies, Battery System Assembly,
2 Biomedical Devices, and Renewable Energy sectors.

3 8. The hardware industry has witnessed a major transition wherein companies working in this
4 industry outsource their manufacturing aspect to maintain a low cost while accelerating their product time-
5 to-market. Original equipment manufacturers (OEMs) utilize contract manufacturers to plunge into an
6 untapped market in a cost-effective manner, and the market is segmented into high growth end markets and
7 industry verticals.

8 9. The Debtor has substantial CE/CM capabilities, including system design and engineering
9 capabilities in complex machine and module development, as well as electro-mechanical expertise that
10 includes cable, harness, and printed circuit board assembly (PCBA) design. The Debtor also has substantial
11 capabilities in prototyping and testing with respect to material engineering, design for manufacturing and
12 testing, rapid new product introduction (NPI) specialty for first article inspection (FAI), specialty systems,
13 and ramp-up, organizational breakdown structure (OBS) engineering, end-of-life (EOL) support, spare
14 parts and repairing, and refurbishing, and application engineering and on-site support.

15 10. While the Debtor does not have secured creditor debt, the Debtor accumulated an
16 unmanageable amount of general unsecured debt prior to the bankruptcy case and thereby requires the use
17 of the Bankruptcy Code to effectuate a restructuring of that prepetition debt.

18 **B. IMMEDIATE NEED FOR FINANCING.**

19 11. On March 28, 2024, the Debtor filed its plan of reorganization, proposing to repay creditors'
20 allowed claims in full. On May 24, 2024, the Debtor filed its first amended plan of reorganization,
21 correcting certain technical errors, but still proposing to pay its creditors allowed claims in full. The initial
22 hearing on plan confirmation was held on June 6, 2024, and continued to August 8, 2024.

23 12. The Debtor's plan includes line items for exit financing borrowing commencing in July
24 2024. The Debtor intends to go forward with its plan of reorganization, but the Debtor needs the funds in
25 July 2024, as previously anticipated, to bridge the last few months of the case until the plan's effective date
26 (projected to be in October 2024, i.e., the start of the fourth quarter, after accounting for the necessary time
27
28

1 in August and September for a hearing, order, findings and conclusions in support of plan confirmation,
2 and passage of a 14-day period for filing appeals).

3 13. The Debtor will use the \$750,000 bridge loan from BSC to pay immediate expenses, then
4 transition to the longer-term DIP Loan with Lender based on factoring AR sales and PO Financing and
5 purchase orders continue to come in and accounts receivable are generated throughout July and going into
6 August.

7 14. Due to some customers being late on some invoice payments, the Debtor fell behind in
8 payments of rent to its landlord and the funding of payroll benefits. The bridge loan from BSC is needed
9 to address this immediate funding need, and then the DIP Loan from Lender is needed to carry the case
10 through plan confirmation. The Budget is itself the Debtor's actual historical post-petition performance
11 that continues up through plan confirmation, then extends to the end of the life of the Plan so that creditors
12 and the Court can see how the post-petition financing is used for the benefit of the larger reorganization of
13 and benefit of the estate. (This Motion is not seeking in any way a *sub rosa* confirmation of any plan
14 elements; rather, so close to plan confirmation, the Debtor wishes creditors and the Court to see how this
15 is part of a long-term reorganization goal.)

16 **C. PRIOR EFFORTS TO OBTAIN FINANCING.**

17 15. Since the Petition Date, the Debtor has been negotiating post-petition financing with
18 multiple potential lenders going as far back as January 2024, and, in the process, the Debtor's responsible
19 individual, Mr. Bushehri, emailed, telephoned, and/or exchanged term sheets with: (i) Gem Cap Solutions,
20 LLC; (ii) Versant Funding LLC; (iii) United Capital Funding Group, LLC; (iv) VenPro; and (v) Lender.
21 Comparing interest rates, fees, costs, lending terms, maximum and minimum facilities, and collateral
22 packages, the terms from Lender were superior to the other terms offered in the market.

23 16. Compared to the Lender, all other possible lenders had high interest rates and/or upfront
24 out-of-pocket due diligence fees far more expensive than the terms of the DIP Loan proposed here by the
25 Lender. After months of searching for a loan in the market, Debtor has determined that this proposed DIP
26 Loan is the best terms in the market.

27 ///

1 **D. PROPOSED FINANCING.**

2 17. Post-petition, the Debtor searched for post-petition financing in January, February, March,
3 April, May, June, and July 2024, engaging in good faith negotiations to obtain the best terms achievable in
4 the market, resulting in the proposal set forth in the FS Agreement attached hereto as **Exhibit “1”** hereto.

5 18. The material provisions of the proposed credit agreement are as follows:

6 a. Lender: Clear Coast Capital, LLC

7 b. Factoring: Sale of accounts receivable

8 c. Production Orders Financing (“PO Financing”)

9 d. Facility Amount: Three Million Dollars (\$3,000,000)

10 e. Minimum Facility: Debtor must use a minimum of 30% of the facility amount quarterly

11 f. Collateral: Accounts receivable, equipment, and all other property of the Debtor

12 g. Term: 36 months

13 h. Advance rate: Not to exceed 85% of invoice face value up to 90 days from invoice date

14 i. Fees:

15 i. Factoring fee of 2.15% against the face value of each invoice for the first 30-day period
16 and 0.85% every 10-day period thereafter (based on amount of funds advanced)

17 ii. PO Financing of 3.65% for the first 30-day period and 1.25% every 10-day period
18 thereafter (based on amount of funds advanced)

19 iii. Credit Insurance Fee of 0.35% will be added to the face amount of the invoice

20 iv. Default Fee of 21% simple interest per annum upon a Default

21 v. Dispute Fee of 40% if a dispute arises regarding collection

22 vi. Termination Fee: 50% of the earned fees based on monthly minimum

23 j. Legal Fees: One-time \$2,500 legal/closing fee plus initial legal fee deposit for coal counsel of
24 \$5,000.

25 k. Events of Default: (a) 25% or more of factored AR has aged 90 days without payment; (b) Debtor
26 fails to pay chares or fees; (c) representations and warranties are untrue; (d) Debtor fails to adhere
27 to obligations under the Agreement; (e) Lender reasonably deems itself to be insecure.
28

1. Liens: first-position senior lien on all Debtor's assets under 11 U.S.C. § 364(c) & (d)

m. Direct payment: customers will be notified to remit payments directly to Lender's lockbox

n. Guaranty: personal guaranty by owners of the Debtor

19. The Debtor respectfully submits that the terms for the DIP Loan are the best in the market and should be approved so that the Debtor has adequate financing to reorganize.

20. A true and correct copy of the Debtor's budget projection for the bankruptcy case and proposed plan confirmation projections are attached as **Exhibit 3** hereto. The Debtor will need a minimum of \$750,000 of bridge financing from BSC to keep operations going in July 2024, which will be at 0% interest, no liens, administrative claim status pursuant to section 364(b), and a maturity date of August 31, 2024.

21. The Detor respectfully submits that there is good cause to grant this Motion as being in the best interest of the estate.

II. DISCUSSION

A. THE DEBTOR SHOULD BE AUTHORIZED TO OBTAIN THE PROPOSED DIP LOAN

1. Authorization for Post-Petition Financing Pursuant to 11 U.S.C. § 364

Pursuant to Section 364(b), a debtor may borrow funds outside of the ordinary course on an unsecured basis with court permission. 11 U.S.C. § 364(b). BSC does not have a history of lending large sums of up to \$750,000 to the Debtor, and, therefore, the proposed bridge loan is not in the ordinary course. Nonetheless, it is necessary to avoid immediate and irreparable harm. BSC is willing to make the bridge loan with court permission to do so, on a short-term basis, to be paid back with 0% interest by August 31, 2024, so that the Debtor can bridge into the 36-month secured loan for up to \$3,000,000 from third-party Lender, as discussed in detail below. Although at first glance the bridge loan from BSC may appear to be on better terms than the Loan from Lender, in fact, BSC is not in a position to lend as much as Lender or for as long a period of time, and, thus, the bridge loan from BSC is just that – to bridge into the Loan from Lender, which is the most favorable terms in the market that the Debtor could find after months of shopping the market.

Pursuant to Section 364(c), a debtor may, in the exercise of its business judgment, incur secured

1 debt if the debtor has been unable to obtain unsecured credit and the borrowing is in the best interest of the
2 estate. *See, e.g., In re Simasko Production Co.*, 47 B.R. 444, 448-9 (D. Colo. 1985) (authorizing interim
3 financing agreement where debtor's business judgment indicated financing was necessary and reasonable
4 for benefit of estate); *In re Ames Dept. Stores*, 115 B.R. 34, 38 (Bankr. S.D.N.Y. 1990) (with respect to
5 postpetition credit, courts "permit debtors-in-possession to exercise their basic business judgment
6 consistent with their fiduciary duties"). Section 364(c) provides, in pertinent part, that:

7 (c) If the trustee [or debtor in possession] is unable to obtain unsecured
8 credit allowable under section 503(b)(1) of this title as an administrative
9 expense, the court, after notice and a hearing, may authorize the obtaining
10 of credit or the incurring of debt –

11 (1) with priority over any and all administrative expenses of the
12 kind specified in section 503(b) or 507(b) of this title:

13 (2) secured by a lien on property of the estate that is not otherwise
14 subject to a lien; or

15 (3) secured by a junior lien on property of the estate that is subject
16 to a lien.

17 11 U.S.C. § 364(c).

18 Section 364(d)(1) governs the incurrence of senior secured debt or "priming" loans. Pursuant to
19 Section 364(d)(1), the Court may, after notice and a hearing, authorize the obtaining of credit or the
20 incurring of debt secured by a senior or equal lien only if –

21 (1) the trustee is unable to obtain such credit otherwise; and

22 (2) there is adequate protection of the interest of the holder of the lien
23 on the property of the estate on which such senior or equal lien is proposed
24 to be granted.

25 11 U.S.C. § 364 (d)(1).

26 Section 364 is structured with an escalating series of inducements which a debtor in possession may
27 offer to attract credit during the postpetition period. *In re Photo Promotion Associates, Inc.*, 87 B.R. 835,
28 839 (Bankr. S.D.N.Y. 1988), *aff'd*, 881 F.2d 6 (2d. Cir. 1989). Where a trustee or debtor in possession
cannot otherwise obtain unsecured postpetition credit, such credit may be obtained under certain carefully

1 proscribed conditions. *In re T.M. Sweeney & Sons LTL Services, Inc.*, 131 B.R. 984, 989 (Bankr. N.D. Ill.
2 1991). For example, if creditors are unwilling to extend unsecured credit to a debtor in possession, further
3 inducements are offered, with court approval after notice and a hearing, including, without limitation, liens
4 equal to or senior to existing liens on encumbered property in accordance with 11 U.S.C. § 364(d). *In re*
5 *Photo Promotion Associates, Inc.*, 87 B.R. at 839.

6 Section 364(c) also enumerates certain incentives that a court may grant to postpetition lenders.
7 However, the list set forth in Section 364(c) is not exhaustive. Courts have frequently authorized the use
8 of inducements not specified in the statute. *See, e.g., In re Ellingsen MacLean Oil Co.*, 834 F.2d 599 (6th
9 Cir. 1987) (affirming financing order which prohibited any challenges to the validity of already existing
10 liens); *In re Defender Drug Stores*, 126 B.R. 76 (Bankr. D. Ariz. 1991) (authorizing enhancement fee to
11 postpetition lender), *aff'd* 145 B.R. 312, 316 (Bankr. 9th Cir. 1992) (“[b]ankruptcy courts . . . have regularly
12 authorized postpetition financial arrangements containing lender incentives beyond the explicit priorities
13 and liens specified in section 364”).

14 As discussed above, the Debtor has insufficient cash to carry its reorganization effort through July
15 and August 2024, and, thus, requires at least \$750,000 to bridge through its plan confirmation process and
16 confirm its plan to pay creditors 100 cents on the dollar over a five-year plan. Thus, subject to the approval
17 of the Court, and in order to obtain the necessary DIP Loan, the Debtor has agreed to provide the Lender
18 with a perfected senior first priority DIP Liens on all of the Debtor’s prepetition and postpetition collateral
19 to secure all obligations under the DIP Loan pursuant to Section 364(c)(2). Lender also requires that the
20 DIP Loan be authorized under Section 364(d) for a senior lien, but because the Debtor has no secured debt,
21 there are no pre-existing liens to be primed, and, therefore, in this particular Case, relief under Sections
22 364(c)(2) and 364(d) here are the same. For all of the reasons explained herein, the Debtor believes that
23 granting the Lender the foregoing protections is warranted, appropriate, and necessary given the
24 circumstances of this Case where the Lender has agreed to provide the Debtor with the necessary DIP
25 Loan, without which the Debtor’s reorganization effort would falter.

26 Two factors courts consider in determining whether to authorize postpetition financing which
27 contemplates the granting of a security interest in favor of the lender are (1) whether the debtor is unable
28

1 to obtain unsecured credit per Section 364(b), *i.e.*, by allowing a lender only an administrative claim per
2 Section 364(b)(1)(A); and (2) whether the terms of the transaction are fair, reasonable and adequate, given
3 the circumstances of the debtor-borrower and the proposed lender. *In re Crouse Group, Inc.*, 71 B.R. 544,
4 549 (Bankr. E.D.Pa. 1987); *see also In re Aqua Assoc.*, 123 B.R. 192, 195 (Bankr. E.D.Pa. 1991).

5 In addition to the foregoing, a debtor in possession seeking subordination of liens to new financing
6 must establish adequate protection of the liens to be subordinated to the new financing. *In re C.B.G. Ltd.*,
7 150 B.R. 570, 571 (Bankr. M.D.Pa. 1992).

8 The Debtor submits that all of these standards have been satisfied in this Case.

9 **2. The Debtor Is Unable To Obtain Unsecured Credit Or Secured Credit On A Junior Lien**
10 **Basis**

11 In satisfying the standards of Section 364, a debtor need not seek credit from every available source,
12 but should make a reasonable effort to seek other sources of credit available under § 364(a) and (b). *See,*
13 *e.g., In re Snowshoe Co.*, 789 F.2d 1085, 1088 (4th Cir. 1986) (trustee had demonstrated by good faith
14 effort that credit was not available without senior lien by unsuccessfully contacting other financial
15 institutions in immediate geographic area; “the statute imposes no duty to seek credit from every possible
16 lender before concluding that such credit is unavailable”); *Ames, supra*, 115 B.R. at 40 (finding that debtors
17 demonstrated the unavailability of unsecured financing where debtors approached four lending
18 institutions).

19 As set forth in detail in the accompanying Bushehri Declaration, the Debtor searched for financing
20 for months from January to July 2024, and the Debtor was unable to obtain financing on an unsecured or
21 even a junior secured basis (other than the \$750,000 from its parent BSC as a mere bridge loan with a
22 maturity date of August 31, 2024). The Debtor contacted at least four potential lenders and had discussions
23 by telephone and/or email, and all terms offered had higher interest rates and/or higher upfront due
24 diligence fees that were prohibitively expensive for the Debtor’s cash flow needs and reorganization
25 prospects. Based on the foregoing, and the fact that the Debtor requires access to funds by July 2024 to
26 bridge through plan confirmation, the Debtor has concluded, in an exercise of its sound business judgment,
27
28

1 that the DIP Loan to be provided by the Lender represents the best financing presently available to the
2 Debtor.

3 **3. The Terms Of The Proposed Postpetition DIP Loan From The Lender Are Fair, Reasonable,**
4 **and Adequate**

5 The Debtor submits that terms of the proposed DIP Loan from the Lender are fair, reasonable, and
6 adequate. The terms and conditions set forth in the FS Agreement were negotiated extensively, in good
7 faith, and at arms' length by the parties. The Lender has agreed to provide the DIP Loan to the Debtor in
8 an effort to assist the Debtor in preserving the going concern value of the Debtor's business pending a
9 reorganization. The Debtor submits that the benefits afforded to the Debtor by the DIP Loan justify the
10 protections being afforded under the terms of the FS Agreement. The DIP Loan offers the Debtor its best
11 opportunity to maintain and preserve the value of its assets while pursuing a reorganization strategy to
12 benefit all creditors and parties in interest in this Case with a 100% payment plan to creditors on the horizon.

13 Based on the foregoing, the Debtor believes that (1) the terms and conditions of the proposed DIP
14 Loan under the FS Agreement are fair and reasonable, reflect the Debtor's exercise of prudent business
15 judgment in light of the current circumstances and are supported by reasonably equivalent value and fair
16 consideration, (2) the DIP Loan has been negotiated in good faith and at arm's length by the Debtor and
17 the Lenders, and (3) any credit extended, loans made, and other financial accommodations extended to the
18 Debtor by the Lender has been extended, issued or made, as the case may be, in "good faith" within the
19 meaning of Section 364(e).

20 **4. No Liens Are Being "Primed"**

21 The Debtor has no prepetition secured creditors. Thus, no liens are being primed.

22 **5. The Proposed DIP Loan Is Necessary And Proper**

23 While in determining whether to approve such a transaction, a Court is authorized to act in its
24 informed discretion, *In re Ames Department Stores, Inc.*, 115 B.R. at 37, the Court should give broad
25 deference to the business decision of a Chapter 11 debtor, particularly with respect to a debtor's business
26 judgment regarding the need for and proposed use of funds. *Richmond Leasing Co. v. Capital Bank N.A.*,
27 762 F.2d 1303, 1311 (5th Cir. 1985). As the Court noted in *In re Ames Dept. Stores Inc.*, *supra*, "the court's
28

1 discretion under section 364 is to be utilized on the grounds that permit the reasonable business judgment
2 [of the Debtor] to be exercised . . .” *In re Ames Department Stores, Inc.*, 115 B.R. at 40.

3 There is little dispute that, without substantial postpetition financing, the Debtor will be unable to
4 bridge its operations from July to August 2024 and into its proposed plan confirmation for paying creditors
5 100 cents on the dollar; instead, the Debtor’s business operations will fall into a disorderly fire-sale
6 liquidation of its assets without the ability to maximize value through reorganization, thereby resulting in
7 virtually no funds for the estate and its creditors (the plan shows a hypothetical liquidation recovery of 15
8 cents on the dollar at best). In contrast, the proposed DIP Loan affords the Debtor the ability to maintain
9 the going-concern value of its business and provides the Debtor with the time necessary to confirm a plan
10 and repay creditors 100 cents on the dollar. The Debtor has therefore concluded that obtaining the proposed
11 DIP Loan from the Lender is critically important to maximizing the recovery for creditors, and is therefore
12 in the best interests of the Debtor’s estate.

13 **B. THE DEBTOR SHOULD BE AUTHORIZED TO SELL ACCOUNTS RECEIVABLE**

14 To the extent that the DIP Loan is considered a sale of estate assets outside of the ordinary course
15 on account of the DIP Loan FS Agreement including a factoring arrangement to sell accounts receivable at
16 an advance rate of 85% of the face value of the receivables aged not later than 90 days, the Debtor
17 respectfully submits that relief should be granted for such sale pursuant to 11 U.S.C § 363(b).

18 Section 363(b)(1) provides that “[t]he trustee, after notice and a hearing, may use, sell, or lease,
19 other than in the ordinary course of business, property of the estate....” 11 U.S.C. § 363 (b)(1). To approve
20 a use, sale or lease of property other than in the ordinary course of business, the court must find “some
21 articulated business justification.” *See, e.g., In re Martin (Myers v. Martin)*, 91 F.3d 389, 395 (3d Cir.
22 1996) citing *In re Schipper (Fulton State Bank v. Schipper)*, 933 F.2d 513, 515 (7th Cir. 1991); *Comm. of*
23 *Equity SEC Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1070 (2d Cir. 1983); *In re Abbotts*
24 *Dairies of Pennsylvania, Inc.*, 788 F.2d 143 (3d Cir. 1986) (implicitly adopting the “sound business
25 judgment” test of *Lionel Corp.* and requiring good faith); *In re Delaware and Hudson Ry. Co.*, 124 B.R.
26 169 (D. Del. 1991) (concluding that the Third Circuit adopted the “sound business judgment” test in the
27 *Abbotts Dairies* decision).

1 In the Ninth Circuit, “cause” exists for authorizing a sale of estate assets if it is in the best interest
2 of the estate, and a business justification exists for authorizing the sale. *In re Huntington, Ltd.*, 654 F.2d
3 578 (9th Cir. 1981); *In re Walter*, 83 B.R. 14, 19-20 (9th Cir. B.A.P. 1988). The Ninth Circuit has also
4 held that section 363 allows the sale of substantially all assets of a debtor’s bankruptcy estate after notice
5 and a hearing. *In re Qintex Entertainment, Inc.*, 950 F.2d 1492 (9th Cir. 1991).

6 In determining whether a sale satisfies the business judgment standard, courts have held that: (1)
7 there be a sound business reason for the sale; (2) accurate and reasonable notice of the sale be given to
8 interested persons; (3) the sale yield an adequate price (i.e., one that is fair and reasonable); and (4) the
9 parties to the sale have acted in good faith. *Titusville Country Club v. Pennbank (In re Titusville Country*
10 *Club)*, 128 B.R. 396, 399 (Bankr. W.D. Pa. 1991); *see also, In re Walter*, 83 B.R. at 19-20.

11 The Debtor submits that its proposed sale of assets clearly comports with each of these four criteria,
12 and demonstrates that the Debtor’s business judgment to proceed with the proposed sale of substantially
13 all of its accounts receivable as part of the DIP Loan in accordance with this Motion is sound. Notice of
14 the Motion has been provided to all creditors of the estate. The sale price in the advance rate of 85% of
15 the face value of the accounts receivable aged not later than 90 days is fair, reasonable, and market rate,
16 that is, the best rate that the Debtor could obtain in the market after four months of searching for DIP Loan
17 terms. And the proposed DIP Loan is made in good faith as an arms-length transaction with a non-insider
18 third party.

19 The factoring sale should also be free and clear of all liens, claims, interests, and other
20 encumbrances pursuant to 11 U.S.C. § 363(f)(1) pursuant to applicable non-bankruptcy law. *See*, 11 U.S.C.
21 § 363(f)(1). Applicable nonbankruptcy law permits the sale of the assets free and clear of such interest.
22 *See e.g., In the Matter of Spanish Peaks Holdings II, LLC*, 872 F.3d 892 (9th Cir. 2017) (“Section 363(f)(1)
23 does not require an actual or anticipated foreclosure sale. It is satisfied if such a sale would be legally
24 permissible”) (holding that, under Montana law, a foreclosure sale to satisfy a mortgage terminates a
25 subsequent lease on the mortgaged property, and, therefore, the sale free and clear of a lease was permitted
26 under section 363(f)(1)). For example, under California law, a foreclosure sale of a personal property
27 interest would terminate junior interests if conducted pursuant to the lien of a deed of trust, or an execution
28

1 sale pursuant to a judgment lien. Specifically, a junior lienholder in California could be compelled to accept
2 a money satisfaction upon a senior secured party's disposition of collateral under the default remedies
3 provided in §9617 of California's Uniform Commercial Code. Here, the Debtor has no preexisting secured
4 debt, secured claims, or liens. Based on the foregoing, the Debtor submits that applicable non-bankruptcy
5 law permits the sale of the assets free and clear of liens, claims and encumbrances.

6 **C. WAIVER OF THE STAY OF RULE 6004**

7 Bankruptcy Rule 6004(h) provides, among other things, that an order authorizing the use, sale or
8 lease of property . . . is stayed until the expiration of fourteen days after entry of the Court order, unless the
9 Court orders otherwise. For all of the reasons set forth above, the Debtor believes that borrowing on the
10 DIP Loan terms and selling the accounts receivable as part of the factoring aspect of the DIP Loan is in the
11 best interests of the Debtor's estate to bridge cash needs in June 2024. In order to facilitate the most
12 expeditious closing possible, the Debtor requests that the order granting this Motion be effective
13 immediately upon entry by providing that the fourteen-day waiting period of Bankruptcy Rule 6004(h) is
14 waived.

15 **D. INTERIM RELIEF AND REQUEST FOR A FINAL HEARING**

16 Absent granting the relief sought by this Motion, the Debtor's business and estate will suffer serious
17 harm, including, without limitation, the risk of facing immediate cessation of the Debtor's business
18 operations, which, in turn, would greatly reduce the value of the Debtor's assets and thereby reduce, and
19 likely greatly reduce, any potential recovery for unsecured creditors in this case. The Debtor's ability to
20 maintain business relationships with its vendors, suppliers and customers, and otherwise finance its
21 operations postpetition is essential to maintaining the going-concern value of the Debtor's business. The
22 DIP Loan contemplated by this Motion is necessary to maintain business operations pending the Debtor's
23 pursuit of a reorganization strategy for the benefit of all creditors and interest holders.

24 Pursuant to Bankruptcy Rule 4001(c)(2), the Debtors request that the Court set the Motion for a
25 final hearing, which will provide creditors and parties in interest with more than 14 days' notice after the
26 service of this Motion and fix the time and date prior to the final hearing for parties to file objections to
27 this Motion.
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

III. CONCLUSION

WHEREFORE, the Debtor respectfully requests that the Court enter an order in substantially the form as attached as **Exhibit 2** hereto:

1. Authorizing the Debtor to obtain postpetition financing up to the principal amount of \$750,000 from BSC Investments, Inc. ("BSC"), as an administrative expense claim pursuant to 11 U.S.C. § 364(b) with 0% interest and a maturity date of August 31, 2024;

b. Authorizing the Debtor to obtain postpetition financing and factoring sale of accounts receivable up to the principal amount of \$3,000,000 (the "DIP Loan") from Clear Coast Capital, LLC (the "Lender"), pursuant to the terms of a Factoring and Security Agreement (the "FS Agreement"), a true and correct copy of which is attached hereto as **Exhibit "1"**, to (a) fund, among other things, ongoing working capital, general corporate, and other financing needs of the Debtor, (b) pay certain transaction fees, and other costs and expenses of administration of the Debtor's bankruptcy case (the "Case"), and (c) pay fees expenses owed to the Lender pursuant to the FS Agreement;

c. Authorizing and empowering the Debtor to execute and enter into loan documents (the "DIP Loan Documents") and all other related documents and agreements and to perform such other and further acts as may be required in connection with the DIP Loan Documents;

d. Providing, pursuant to Sections 364(c), that the obligations under the DIP Loan Documents, including, without limitation, principal, accrued interest, and all other obligations and amounts due from time to time under the DIP Loan Documents be and be deemed immediately secured (without any further filings) by valid, binding, continuing, enforceable, fully perfected, and unavoidable first senior priority security interests and liens (the "DIP Liens") in and on all prepetition and postpetition property and assets of the Debtor (the "Collateral"), provided, however, that the DIP Liens shall not extend or attach to, and the Collateral shall not include, causes of action under Chapter 5 of the Bankruptcy Code, including without limitation Sections 502(d), 544, 545, 547, 548, 549 and 550, any other avoidance actions under the Bankruptcy Code, the Uniform Fraudulent Transfer Act, the Uniform Fraudulent Conveyance Act, nonbankruptcy law, and the proceeds

- 1 thereof, whether real or personal, tangible or intangible, and wherever located, and whether now
2 existing or hereafter acquired, including proceeds, products, offspring, rents and profits thereof;
- 3 e. Vacating and modifying the automatic stay imposed by Section 362 solely to the extent necessary
4 to implement and effectuate the terms and provisions of the DIP Loan Documents and the Order;
- 5 f. Finding that adequate notice of the Motion has been provided to grant the Motion on an interim
6 basis pending a final hearing;
- 7 g. Finding that immediate and irreparable harm would result if interim relief were not granted on an
8 emergency basis to authorize the DIP Loan;
- 9 h. Waiving any applicable stay, including under FRBP 4001(b) and (c) and providing for the
10 immediate effectiveness of the Order;
- 11 i. Setting a final hearing on the Motion; and
- 12 j. Granting related relief that the Court deems just and proper under the circumstances of this Case.

13 Dated: July 10, 2024

LEVENE, NEALE, BENDER, YOO
& GOLUBCHIK L.L.P.

15 By: /s/ John-Patrick M. Fritz

RON BENDER

JOHN-PATRICK M. FRITZ

Counsel for Chapter 11 Debtor and Debtor in Possession

EXHIBIT "1"

FACTORING AND SECURITY AGREEMENT

This FACTORING & SECURITY AGREEMENT (the "*Agreement*") effective this Eighth day of July, 2024 (the "*Effective Date*") between BriteLab, Inc., a Delaware corporation, having its place of business at 6341 San Ignacio Ave., San Jose, CA 95119 (the "*Seller*"), and ClearCoast Capital, LLC, its affiliates, successors and/or assigns, as their interests may appear, having its place of business at 840 Lowcountry Blvd., Mount Pleasant, SC 29464 (the "*Purchaser*" and collectively with the Seller, the "*Parties*" or singularly a "*Party*").

PURCHASER IS A LICENSED CALIFORNIA LENDER, AND THE FINANCING PROVIDED UNDER THIS AGREEMENT IS PURSUANT TO CALIFORNIA FINANCE LENDERS LAW, DIVISION 9, SECTION 22000, ET SEQ. THIS FINANCING UNDER THIS AGREEMENT MUST BE USED BY THE SELLER FOR BUSINESS PURPOSES ONLY.

SERVICING NOTICE: This Agreement shall be serviced by SouthStar Capital, LLC and its affiliates (collectively, "SouthStar") pursuant to a portfolio servicing agreement, and SouthStar is authorized to perform and carry out all of Purchaser's activities and rights under this Agreement, including – but not limited to – sending notices of assignment, contacting Account Debtors, collecting and remitting payments and Charges and engaging in collection activities to recover amounts owed.

FINANCING CONTINGENCY. The Parties acknowledge and agree that an absolute condition precedent to the Purchaser agreeing to advance funds to the Seller under the Factoring Agreement is the Bankruptcy Court entering an order granting the Purchaser a first priority senior secured security interest in the Collateral of the Seller.

As evidenced by the Parties' signatures below, and in consideration of the obligations as set forth in this Agreement and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. FACILITY AMOUNT. The total outstanding funds advanced by Purchaser to Seller under this Agreement shall not exceed Three Million and 00/100 Dollars (\$3,000,000.00) (the "*Facility Amount*"), and Purchaser may reduce or increase this Facility Amount in its sole discretion without notice to the Seller. Any capitalized terms used in this Agreement and not specifically defined herein shall have the meaning given to the term in the Uniform Commercial Code (the "*UCC*").

2. PURCHASE OF ACCOUNTS. Seller may tender to Purchaser some or all of its Accounts, and Payment Intangibles arising therefrom, whether or not earned by performance: (i) for property that has been or is to be sold, leased, licensed or assigned; (ii) for services rendered; or (iii) as otherwise defined in the UCC. Seller may provide specific Accounts or a schedule of Accounts for purchase, and the Purchaser, in its sole and absolute discretion, shall have the right to purchase all or a portion of the Accounts. All of Seller's said Accounts, irrespective of whether they are purchased by Purchaser, are referred to as an "*Account*" or "*Accounts*." The payor of the Accounts are "*Account Debtors*."

Seller Initials:

A B

SignNow e-signature ID: 497208c01a...
SignNow e-signature 07/08/2024 23:10:08 UTC

- 1 -

[ClearCoast Non-Recourse Factoring and Security Agreement]

3. **PAYMENT TO SELLER FOR ACCOUNTS.** Purchaser will evidence its agreement to purchase Accounts by the issuance of a check, wire or other electronic transfer to Seller in an amount up to eighty-five percent (85%) of the face amount of each Account, or such lesser percentage as Purchaser deems necessary in its permitted discretion (the "***Purchase Price***"). The Accounts that are purchased are referred to as "***Purchased Accounts***," and the purchase and sale of a Purchased Account represents a true sale. Seller shall deliver the invoices relating to Purchased Accounts to Purchaser, and at such time, the Purchased Accounts shall be deemed sold and assigned to Purchaser without any further assignments or documentation being required. Seller agrees to sell Accounts in an amount not to be less than thirty percent (30%) of the Facility Amount for each quarterly period after the Effective Date, calculated on the face value of the Purchased Accounts (the "***Minimum Amount***").

4. **INVENTORY ADVANCES.** [RESERVED].

5. **PURCHASE ORDER ADVANCES.** Purchaser, in its sole and absolute discretion, shall have the right to advance funds up to eighty-five percent (85%) of the face value of any purchase orders received from its Account Debtors that shall become eligible Purchased Accounts ("***Purchase Orders***"). Seller shall be required to provide all the necessary documentation and information regarding the Purchase Orders, the Account Debtors and the vendors that is requested by the Purchaser so that it can determine, in its sole discretion, the eligibility of the Purchase Orders to be financed.

6. **CHARGES, OTHER FEES & REPAYMENT.**

a. *Purchased Accounts Charges.* In consideration of the purchase of said Purchased Account(s), and in further consideration of Purchaser purchasing the Purchased Account(s), Seller agrees to pay Purchaser an amount equal to two and 15/100 percent (2.15%) of the face amount thereof for the first thirty (30) day period after payment for such Account is presented to Purchaser for sale, plus zero and 85/100 percent (0.85%) for each additional ten (10) day period or part thereafter, calculated from the date of purchase until payments received by Purchaser in collected funds on said Purchase Account(s) equals the Purchase Price of the Purchased Account(s) plus all Charges, Fees and other accruals due to Purchaser from Seller. An additional one and 00/100 percent (1.00%) per ten (10) day period will be charged for Invoices exceeding ninety (90) days from advance date. In no event shall the Purchased Account Charges be less than twenty-five and 00/100 dollars (\$25.00).

b. *Inventory Advance Charges.* [RESERVED].

c. *Purchase Order Advance Charges.* In consideration of the advances that Purchaser makes on Purchase Orders, Seller agrees to pay Purchaser an amount equal to three and 65/100 percent (3.65%) of the amount of the advance for the first thirty (30) day period after date for such advance made to Seller's vendor or Seller, at Purchaser's discretion, on such Purchase Order, plus one and 25/100 percent (1.25%) for each additional ten (10) day period or part thereafter, calculated from the date of the advance until payments received by Purchaser on said Purchase Order equals the amount of the advance, plus all Charges, Fees and other accruals due to Purchaser from Seller.

Seller Initials:  
SignNow e-signature ID: d8c634bf49...
SignNow e-signature ID: 7696299d83...
07/08/2024 23:10:08 UTC

- 2 -

[ClearCoast Non-Recourse Factoring and Security Agreement]

d. *Additional Advance Charges.* [RESERVED].

e. *Credit Insurance Charges.* Seller further agrees in consideration for the Purchased Accounts that Seller will pay an amount equal to Zero Point Three Five percent (0.35%) of the face amount thereof that includes insuring the risk, transmitting, and performing certain data processing services with respect to the maintenance and servicing of the Purchased Accounts.

f. *Transfer Charges.* Seller further agrees in consideration for the Purchased Accounts that Seller will pay an amount equal to Twenty-Five and 00/100 Dollars (\$25.00) for each domestic wire, ACH, Real Time Payment or other electronic transfer or Fifty and 00/100 Dollars (\$50.00) for each international wire or other electronic transfer.

All charges payable by Seller to Purchaser as set forth in Subsections a. through f., above, are collectively referred to as "*Charges.*"

g. *Misdirected Payment Fee.* Seller agrees that Purchaser may charge, in its sole discretion, a misdirected payment fee of Fifteen Percent (15%) of the face amount of any misdirected Account in violation of Paragraph 14(b) or (c) ("*Misdirected Payment Fee*") in order to compensate Purchaser for the administrative and loss of Collateral costs related to Misdirected Payments; provided however, the Purchaser will not charge a Misdirected Payment Fee if Seller complies with the reporting and repayment covenant in Paragraph 14(c).

h. *New Account Debtor Fee.* Seller further agrees in consideration for the Purchased Accounts that Seller will pay a transactional administrative fee in the amount of Fifty and 00/100 Dollars (\$50.00) for each new Account Debtor submitted that includes any handling, collecting, mailing, quality assuring, assessing the risk, transmitting, and performing certain data processing services with respect to the maintenance and servicing of the Purchased Accounts.

i. *MCA Fee.* In the event that the Seller takes funding from a merchant cash advance entity (an "MCA"), which is prohibited under this Agreement, the Seller agrees that Purchaser may charge, in its sole discretion, an MCA fee that will be an additional One Percent (1%) to all of the Charges.

j. *Minimum Fee.* Seller agrees that if Purchaser has not purchased the Minimum Amount, Seller agrees to pay to Purchaser, on demand, an additional amount equal to what the Charges would have been on the Minimum Amount over the applicable period, based on a 31-day month, less the actual Charges paid by Seller to Purchaser during that period (the "*Minimum Fee*").

k. *Early Termination Fee.* Should this Agreement be terminated by the Seller for any reason whatsoever, or by the Purchaser due to a Default, prior to the expiration of the Term, Seller shall pay the Purchaser an early termination fee equal to fifty percent (50%) of the monthly Charges that would have accrued on the Minimum Amount, based on a 31-day month, multiplied by the number of months that remain on the Term (the "*Early Termination Fee*").

l. *Dispute Fee.* Should the Purchaser be required to expend any out-of-pocket expenses and costs in connection with any dispute or collection activity relating to or arising out

Seller Initials: *A B* *manfred 2017-01-26*
SignNow e-signature ID: 606c84d8b8...

SignNow e-signature ID: 07/08/2024 23:10:08 UTC
07/08/2024 23:10:08 UTC

[ClearCoast Non-Recourse Factoring and Security Agreement]

of this Agreement, including – but not limited to – costs of monitoring the Collateral, collecting against Collateral and legal fees and expenses expended relating to this Agreement, the Purchaser shall be entitled to add an additional Forty Percent (40%) to such expenses and costs as an administration fee to compensate the Purchaser for its administrative efforts (the “*Dispute Fee*”).

m. *Default Fee.* In addition to the Charges and other fees, upon a Default, Seller shall pay an additional charge of Twenty-One Percent (21%) simple interest calculated per annum on a 360-day year based upon the principal amount of funds due to the Purchaser on the date of the Default (the “*Default Fee*”).

The fees payable by Seller to Purchaser as set forth in Subsections g. through m., above, are collectively referred to as “*Fees*.”

n. *Repayment to Purchaser.* The Purchase Price, Additional Advances, the Charges, the Fees and other accruals provided for under the Factoring Documents (as defined herein), will be repaid in the ordinary course through the collection of funds from the Accounts, whether purchased or unpurchased. Purchaser is authorized to affix Seller’s signature and send Notices of Assignment to all the Account Debtors of Seller in order to satisfy repayment of all amounts owed. Funds from the Accounts are considered “*collected*” five (5) days after receipt of funds by Purchaser (assuming such funds are in fact collected). Additional Advances may also be repaid through applying Accounts against all or a portion of the Additional Advances by making them Purchased Accounts.

o. *Seller Representation.* Seller acknowledges and agrees that the Charges and Fees set forth in this Paragraph, and all other fees and obligations payable by the Seller under this Agreement are reasonable and valid under South Carolina law and negotiated between the Parties that are sophisticated commercial transactions. Moreover, the Seller acknowledges and agrees that the transactions under this Agreement reflect a true sale of the Accounts.

7. **REMITTANCE TO SELLER.** On the Friday of the week following the receipt of the funds for Payment Intangibles of the Accounts, the Purchaser shall transfer to Seller an amount equal to the difference between the amount of aggregate receipt of funds on the Accounts, minus the sum of any of the following: (a) the aggregate Purchase Price of the Purchased Accounts; (b) any outstanding advances for Additional Advances, Purchase Orders, Inventory or other amounts owing under the Factoring Documents; (c) all Charges; (d) all fees, (d) other accruals provided for under this Agreement; (e) any Reserves; (f) any chargebacks; plus (g) all other obligations and accruals under any purchase order financing addendum, inventory financing addendum, any other addenda, a promissory note or line of credit, a leasing agreement or any other agreement between the Purchaser, the Seller and their affiliates (collectively with this Agreement, the “*Factoring Documents*”). The amount of the remittance under the preceding sentence shall be deemed correct, proper and accepted by Seller, unless Seller contests in writing the remittance or any calculation underlying the remittance thirty (30) days following the end of the month when such remittance was made. If Seller does not timely contest remittance amount within thirty (30) days, then Seller agrees to waive, release and forfeit any claim that the amount of remittance is incorrect or otherwise improper.

Seller Initials:  
SignNow e-signature ID: 2c4c42dcd...
SignNow e-signature 07/10/24 06:07 UTC
07/08/2024 23:10:08 UTC

- 4 -

[ClearCoast Non-Recourse Factoring and Security Agreement]

8. **GRANT OF SECURITY INTEREST.** As security for the payment and performance of all Seller's present and future obligations to Purchaser under this Agreement, or otherwise for the payment and performance of any obligation owed to Purchaser by Seller pursuant to any other agreement or instrument, Seller hereby transfers and grants to Purchaser a first priority security interest in all of Seller's presently-owned and hereafter-acquired personal and fixture property, wherever located, including, the property set forth in Exhibit A and in any additional property listed in Exhibit B. The property listed in Exhibits A and B is collectively referred to as the "***Collateral***." The Collateral specifically includes, without limitation, Sellers' right to any and all returned or repossessed personal property from Account Debtors and also shall include all rights of replevin, reclamation, and stoppage in transit and all rights as a seller of goods. Seller agrees to reimburse Purchaser for actual costs relating to UCC and other filings necessary to perfect its security interests.

9. **PURCHASER'S RIGHTS.** Seller hereby authorizes and approves Purchaser to do the following: (a) file UCC-1s and other financing statements and documents, whether or not executed by Seller, in order to perfect its security interest in the Collateral ("***Financing Statements***"), and the Seller further ratifies the filing of such Financing Statements or other documents filed by Purchaser prior to the execution of this Agreement; (b) to affix and sign Seller's signature to notifications under Section 9-406 of the UCC (a "***Notice of Assignment***") and send Notices of Assignment to all the Account Debtors of Seller directing them to remit payment on Accounts directly to Purchaser; (c) to communicate directly with Account Debtors to verify the amount, validity or any matter relating to any Account; and (d) charge back aged Accounts and substitute with other Accounts, proceeds from other Collateral, apply payments from other Accounts, amounts in escrow, or the Reserve Account. Once a Notice of Assignment is sent to an Account Debtor, the Seller shall indicate on the invoices reflecting the Accounts that Purchaser is the assignee of the account and Purchaser's address and banking information so remittances can be made directly to Purchaser. Unless the non-payment of a Purchased Account is due to the insolvency of the Account Debtor, Purchaser shall have the right to require the Seller to repurchase a Purchased Account if it remains unpaid after payment due date set forth on the invoice, and if not repurchased, Purchaser shall have the right to charge back the Purchased Account after ninety (90) days after the invoice date. The Purchaser shall not be obligated, nor shall Seller be authorized, to release any Financing Statements, Notice of Assignments or other security interests granted to Purchaser unless Seller has satisfied all of its obligations to Purchaser under this Agreement, and Seller has executed a general release in favor of the Purchaser. If the Seller creates and begins to conduct business through an alter-ego or nominee, the Purchaser is authorized to take the actions authorized and approved by this Paragraph with regard to the alter-ego or nominee. With regard to Accounts, Seller authorizes the Purchaser on behalf of the Seller to compromise or extend the time for payment related to any Account upon such terms as Purchaser may determine and to demand, collect, receive and sue for any and all amounts due or to become due on the Accounts, and execute lien waivers related to any Accounts. The provisions contained in this Paragraph are a material inducement for execution of this Agreement by Purchaser.

10. **ESCROW AND RESERVE ACCOUNT.** Purchaser may give notice to Seller that it intends to proportionally increase its security due to a condition or event increasing the credit risk, which may be due to: (a) an Account Debtor fails to pay on a Purchased Account when due; (b) any Additional Advance, Inventory advance or Purchase Order advance remains outstanding

- 5 -

Seller Initials:

A B

monday 07/10/24

SignNow e-signature ID: 076c417eed...

SignNow e-signature ID: 076c417eed... [Non-Recourse Factoring and Security Agreement]

for more than ninety (90) days; (c) a material change to the credit risk of an Account or Account Debtor; (d) an Account or Account Debtor will violate the Purchaser's underwriting standards; (e) the Seller's financial position has deteriorated; (f) an increased risk exists that Seller will default on any obligation whether under this Agreement; (g) a legal or indemnity risks exists related to the Factoring Documents that may require Purchaser to fund a liability and/or legal expenses and costs; (h) the Seller is in Default of this Agreement or any other Factoring Documents, or (i) any other condition or event increasing the credit risk to the Purchaser. If the Seller fails to resolve such condition or event to Purchaser's satisfaction, the Purchaser may, in its sole discretion, establish a reserve or escrow from the Accounts, remittances due to the Seller under Paragraph 7, payments received from Account Debtors or other proceeds received by Purchaser (a "**Reserve Account**"). In addition to establishing a Reserve Account, the Purchase may, in its sole discretion, reduce the Purchase Price, reduce the amount of advances against Inventory or Purchase Orders, refuse to purchase Accounts, refuse to make advances on Inventory or Purchase Orders, refuse to make Additional Advances, or affix seller's signature and send Notices of Assignment to all the Account Debtors of Seller.

11. INSURANCE. Purchaser may require Seller, at Seller's sole expense, to carry reasonable insurance in such coverages and amounts for the protection of credit exposure and its Collateral that the Purchaser deems adequate. At a minimum, Seller shall carry a comprehensive commercial general liability insurance policy with minimum limits of at least \$1,000,000.00 for bodily injury for each person and \$2,000,000.00 per occurrence and property and casualty damage of \$1,000,000.00 each occurrence. Any insurance policies shall name Purchaser as an additional insured, a loss payee, a certificate holder and/or a mortgagee, and a certification of insurance shall be provided to the Purchaser evidencing that Purchaser is an additional insured, a loss payee, a certificate holder and/or a mortgagee. The Seller agrees that none of the insurance policies required under this Paragraph shall be cancelable without the insurance company giving notice to the Purchaser. If Seller fails to acquire any insurance required by this Paragraph, Purchaser may, at its option, cause such insurance to be issued, and in such event, Seller agrees to pay the premium for such insurance as a Charge or through the establishment of a Reserve.

12. TERM & REINSTATEMENT.

a. *Term of Agreement.* This Agreement shall be for a term of thirty-six (36) months from the first day of the month following the date when the first Purchased Account is purchased (the "**Initial Term**"). Unless terminated by Seller by providing written notice to Purchaser as required by Paragraph 21 not less than sixty (60) but not more than ninety (90) days before the end of the Initial Term, this Agreement shall automatically extend for an additional thirty-six (36) months (the "**Renewal Term**"). Seller shall be required to provide the same notice during any and all Renewal Terms as set forth in the preceding sentence in order to terminate this Agreement, and if no notice is provided, the Agreement shall extend for an additional Renewal Term. All Renewal Terms and the Initial Term are collectively referred to as the "**Term**." In no event shall the Term expire prior to all of Seller's obligations to Purchaser under this Agreement being satisfied, and the Term will be extended until such time.

b. *Reinstatement.* Notwithstanding any termination of this Agreement, Seller hereby agrees that to the extent Purchaser receives any payment(s) from Seller on account of Seller's obligation to Purchaser hereunder, and such payment(s) are subsequently invalidated, declared

- 6 -

Seller Initials:

A B



SignNow e-signature ID: c3f531e2c4...

SignNow e-signature ID: 07099247204607410 Non-Recourse Factoring and Security Agreement]

to be preferential and/or required to be restored, returned or repaid to a trustee, receiver, or any other party upon any bankruptcy, insolvency, dissolution or liquidation of Seller, then to the extent of such invalidated payment(s), that portion of Seller's obligation hereunder intended to be satisfied thereby shall be deemed revived as if such payments(s) had not been received by Purchaser and all Purchaser's rights and remedies under this Agreement shall be and remain applicable and in full force and effect.

13. REPRESENTATIONS & WARRANTIES FOR ACCOUNTS. To induce Purchaser to purchase Accounts during the Term, Seller represents and warrants to its knowledge regarding each Purchased Account that: (a) Seller is the sole and absolute owner of each Purchased Account and has full legal right to make said sale, assignment and transfer thereof hereunder; (b) The correct amount owed on each Purchase Account is as set forth on the invoice tendered for sale and such amount is not in dispute or partially paid; (c) The payment of each Purchased Account is not contingent upon the fulfillment of any obligation or condition, past or future, and any and all obligations required of the Seller with regard to such Account have been fulfilled by Seller; (d) Each Purchased Account is based on an actual sale and delivery of goods and/or services actually rendered for which an invoice has been tendered to the Account Debtor and is presently due and owing to Seller; (e) All invoices with respect to Purchased Accounts shall state that the Account is payable to Purchaser at Purchaser's address or banking information; (f) The Purchase Account has not been previously sold, assigned, transferred or pledged by the Seller and is free of any encumbrance or lien; (g) The Account Debtors have no defenses, offset, recoupment's, or counterclaims with respect to the payment of the Purchased Accounts; and (h) any officer, director, member, manager, employee, agent or other representative of a Seller who presents Accounts for purchase is authorized to tender such Accounts for sale.

14. SELLER'S AFFIRMATIVE COVENANTS. To induce Purchaser to purchase Accounts during the Term, Seller affirmatively covenants that: (a) Seller will not tender any invoices that are materially false; (b) Seller will not directly or indirectly contact any Account Debtor and influence them from making payment directly to Purchaser over a Notice of Assignment; (c) Seller will not retain any payments received directly from an Account Debtor that has received a Notice of Assignment and agrees that any breach of this covenant will constitute conversion and/or theft of Purchaser's property; provided however, if Seller, of no fault of its own, receives a payment on an Account over a Notice of Assignment, and reports that it received the misdirected payment within twenty-four (24) hours of receiving payment, and returns the payment to the Purchaser within forty-eight (48) hours, no breach of this covenant will occur; (d) Seller will not sell, transfer, pledge, grant a security interest in or hypothecate any of its Accounts or other Collateral to any other person or entity other than Purchaser, including - but not limited to - an MCA; (e) Seller shall not compromise or settle an Account or otherwise modify the repayment terms of any Account; (f) Seller shall not enter into any financial arrangement with an MCA or other entity that collects repayment by debiting a deposit account of the Seller; (g) Seller shall provide the Purchaser access to all Account Debtor portals, software or other management systems in order to monitor the Accounts, Inventory or Purchase Orders; (h) Seller shall contemporaneously maintain true and accurate information and books and records related to its Accounts, Inventory and Purchase Orders; (i) Seller shall remain in good standing as a legal entity under all applicable laws; (j) Seller shall stay current with its tax reporting and payment obligations to the Internal Revenue Service and all other state or local taxing authority; (k) Seller shall not form or create any alter egos or nominee entities; (l) Seller shall notify Purchaser if its

- 7 -

Seller Initials:

A B

monday 07/10/24 11:47

SignNow e-signature ID: 26c7a1d92f...

SignNow e-signature ID: 0992284032060743FC Non-Recourse Factoring and Security Agreement]

ownership, either directly or indirectly, changes by more than ten percent (10%); and (m) Seller shall provide notice to Purchaser within ten (10) business days of changing to the legal name of the Seller, relocating the principal place of business of a Seller, redomiciling the Seller to another state, or converting the legal classification of the Seller.

15. REPORTING REQUIREMENTS. Before the tenth (10th) day of the following month, the Seller agrees to provide to the Purchaser a monthly profit and loss, balance sheet and cash flow statements, accounts receivable aging report for the Accounts, accounts payable aging reports, inventory reports for finished goods, inventory reports for non-finished goods, bank statements and other financial information reasonably requested by Purchaser. Once completed, Seller agrees to provide reviewed or audited annual and/or quarterly financial statements, if applicable, and income tax returns, payroll tax returns, and proof of payment of its tax liabilities to Internal Revenue Service or other state or local revenue agency, whether paid with the returns. With regard to online, software or other electronic access, Seller shall also provide unlimited access to: (i) Seller's bank accounts through the Clarilogic, Inc d/b/a DecisionLogic software; (ii) online viewing access to all of Seller's bank accounts; and (iii) provide logins for all Seller's financial, accounting, purchase order and inventory management software. In addition, Seller shall promptly respond to all requests made by the Purchaser's accountancy firm in connection with any audits, reviews and other financial services provided to the Purchaser. In the event Seller fails to comply with the reporting requirements of this Paragraph, the Purchaser may impose a Two Hundred Fifty and 00/100 Dollar (\$250.00) weekly penalty against the Seller for non-compliance, but the imposition and payment of such penalty shall not be a cure of any Default for the Seller's failure to comply with this Paragraph.

16. DEFAULT. A Default shall occur under this Agreement after Purchaser provides notice to Seller of the existence of any of the following events and conditions, and Seller fails to cure such event or condition in five (5) business days of the notice; provided however, no notice and cure period shall exist for a Default for violating the covenants in Paragraph 14(a) through (c). The uncured occurrence of any of the following events shall constitute a "Default": (a) Seller fails to repay any Additional Advances within ninety (90) days of the Additional Advance being made; (b) Twenty-Five Percent (25%) or more of the face value of the Purchased Accounts have aged ninety (90) days without repayment; (c) Seller fails to pay any Charges, Fees or other amounts owing under this Agreement; (d) Any of the representations and warranties in Paragraph 13 are untrue; (e) Seller fails to adhere to and comply with the affirmative covenants in Paragraph 14; (f) Seller fails to provide the information as required in Paragraph 15; (g) Seller ceases to do business as a going concern; (h) If not a debtor in possession financing, the institution of bankruptcy or insolvency proceeding involving the Seller; (i) An unsubordinated tax lien is filed against Seller in an amount greater than \$10,000.00; (j) A judgment is entered against Seller which is not promptly satisfied or if a levy or attachment shall be filed against Seller or the Collateral; or (k) Purchaser reasonably deems itself insecure in its expectation that Seller will fully perform all of its obligations under this Agreement.

Upon the occurrence of Default under this Agreement, an event of default shall be deemed to have occurred under any and all the Factoring Documents, and upon the occurrence of Default under any of the Factoring Documents, an event of Default shall be deemed to have occurred under this Agreement. Purchaser, in its sole discretion, shall be entitled to assert any and all rights and remedies against the Seller, its affiliates, alter-egos and nominees, and collect against

A B

monday 07/10/24 11:47

SignNow e-signature ID: bccb097abe...

SignNow e-signature ID: 0936884080607-UTC Non-Recourse Factoring and Security Agreement]

any and all collateral, property or guaranty as provided for under this Agreement or the Factoring Documents. This Paragraph is specifically intended by the Parties to be a cross-collateralization and cross-default provision so the collection rights, Collateral and other property set forth in one agreement secures all the debts and obligations of the other agreements, and vice-versa.

17. **REMEDIES.** In the event a Default, Purchaser may, in its sole discretion, assert any or all of the following remedies: (a) immediately terminate this Agreement and all amounts due and owing under this Agreement shall immediately become due and payable without notice and presentment; (b) in addition to all other Charges, Fees and all other amounts provided for under this Agreement, charge the Default Fees; (c) satisfy the obligations owing under this Agreement from the Reserve Account; (d) file any Confessions of Judgment; (e) affix Seller's signature and send Notices of Assignment to all the Account Debtors of Seller; (f) take possession of Collateral with or without judicial process; (g) assert any rights as provided for under the applicable UCC and other South Carolina laws; (h) seek to place the Seller into receivership, or other applicable state law process, and request a court to appoint a receiver over the Seller, and Seller will not contest and consent to the appointment of a receiver; (i) enter onto the real property or leased premises of the Seller to take control of the Collateral; (j) notify and require the U.S. Post Office to deliver Seller's mail to Purchaser, access Seller's post office or other mail boxes, and receive, accept, open, dispose of and redirect any mail; (k) take and endorse for deposit in the name of Seller all payments received for any of Seller's Accounts and to deposit same for benefit of Purchaser; (l) Seller authorizes Purchaser to initiate electronic debit or credit entries through the ACH system to any deposit account of Seller, and the Seller agrees to be bound by the ACH rules set forth by the National Automated Clearing House Association (the "NACHA"); (m) continue to assert all rights provided for under Paragraph 15 or otherwise granted under this Agreement; and (n) revoke and deny Seller access to ClearCoast's factoring software or other reporting systems. Purchaser shall have no obligation to marshal any assets in favor of Seller.

18. **ADDITIONAL PROVISIONS.** [RESERVED].

19. **POWER OF ATTORNEY.** Seller hereby irrevocably appoints and authorizes any officer or employee of Purchaser to act as the attorney-in-fact for Seller in order to enforce its rights and remedies set for in this Agreement or the other Factoring Documents, which includes - but is not limited to - (a) the acts set forth in Paragraphs 9 and 17; (b) endorsing Seller's name upon notes, checks, drafts, money orders or other instruments; (c) signing and affixing Seller's name on any invoice, pay app, lien waiver or satisfaction, freight bill, bill of lading storage or warehouse receipt, or other instrument or document in respect to any Account; and (d) in Seller's name, demanding, making claims, suing, collecting, granting extensions, compromising, discharging and entering into releases for all matters related to this Agreement and the Factoring Documents. The power of attorney granted to Purchaser in this Paragraph is coupled with an interest and is irrevocable while this Agreement is in place and effect.

20. **INDEMNITY.** Seller agrees to indemnify and hold Purchaser harmless from all losses, causes of action, claims, proceedings or other liability asserted against Purchaser subsequent to the Effective Date related to or arising from this Agreement or the Factoring Documents, including reasonable legal fees and costs incurred by Purchaser in defense thereof.

A B

Monica J. Smith

SignNow e-signature ID: 3792927360...

SignNow e-signature ID: 3792927360... Non-Recourse Factoring and Security Agreement]

21. **NOTICES.** Notices required or permitted hereunder shall be in writing and shall be given by: (a) personal delivery, (b) email with a copy of such notice sent by overnight delivery with a reputable nationally recognized carrier, (c) overnight delivery with a reputable nationally recognized carrier, or (d) certified mail, postage prepaid. Notices sent shall be deemed given when delivered or mailed to the addresses set forth in the preamble or to the registered agent for a Party. Either Party shall have the right to change its address by notice as herein provided.

22. **GOVERNING LAW, VENUE & ATTORNEYS' FEES.** This Agreement, the Factoring Documents, or any matters related to or arising from this Agreement or the Factoring Documents, shall be interpreted, construed, and governed by and under the laws of the State of South Carolina, without regard to conflicts of law rules principles (whether of the State of South Carolina or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of South Carolina. This South Carolina choice-of-law provision specifically applies to any claim made by Seller under usury laws. In the event that any dispute whatsoever arises between the Parties related to or arising from this Agreement (a "*Dispute*"), the Dispute shall be brought exclusively in courts of competent jurisdiction in the State of South Carolina, County of Charleston, and the Parties irrevocably consent to the exclusive jurisdiction of the state and federal courts located in Charleston, South Carolina waiving any argument as to *form non-conviens*; provided however, the Purchaser may seek injunctive relief, a receivership or other equitable relief in another jurisdiction that is deems more appropriate in the Purchaser's sole discretion. Seller shall be liable for all attorney's fees and all other costs and expenses incurred by Purchaser related to or arising from this Agreement or the Factoring Documents.

23. **JURY TRIAL WAIVER.** IN RECOGNITION OF THE HIGHER COSTS AND DELAY WHICH MAY RESULT FROM A JURY TRIAL AND, TO THE EXTENT PERMITTED BY LAW, THE PARTIES HERETO WAIVE ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SOUNDING IN CONTRACT OR TORT OR OTHERWISE ARISING FROM OR IN ANY WAY RELATED TO THIS AGREEMENT, THE FACTORING DOCUMENTS, OR DEALINGS OF THE PARTIES WITH RESPECT THERETO, AND EACH PARTY FURTHER WAIVES AND FORFEITS ANY RIGHT TO CONSOLIDATE WITH ANOTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED.

Seller Acknowledgment:


SignNow e-signature ID: 7f06e6456c...
07/08/2024 23:10:08 UTC

24. **LIMITATION OF LIABILITY.** TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE SELLER SHALL NOT ASSERT AND HEREBY WAIVES, FORFEITS AND RELEASES ANY CLAIM AGAINST THE PURCHASER UNDER ANY LAW, STATUTE OR THEORY OF LIABILITY ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, THE FACTORING DOCUMENTS OR ANY OTHER DOCUMENT CONTEMPLATED HEREBY FOR (A) SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES (AS OPPOSED TO DIRECT OR ACTUAL DAMAGES); AND (B) ANY LOSS, DAMAGE OR INJURY TO EARNINGS, PROFITS OR GOODWILL OF THE SELLER. IN NO EVENT SHALL THE LIABILITY OF PURCHASER TO THE SELLER, IN THE AGGREGATE, EXCEED THE AMOUNT OF FEES AND CHARGES ACTUALLY PAID TO PURCHASER BY THE SELLER FOR THE TWELVE (12) MONTH

- 10 -

Seller Initials:



SignNow e-signature ID: 38aed0dbc7...

07/09/2024 07:06:07 UTC

PERIOD IMMEDIATELY PRIOR TO THE DATE SUCH CLAIM AROSE OTHER THAN LIABILITY OF THE PURCHASER DUE TO FRAUD. NOTHING IN THIS PARAGRAPH SHALL BE CONSTRUED TO RELIEVE OR LIMIT THE LIABILITY OF THE SELLER OF ANY OBLIGATION IT MAY HAVE TO INDEMNIFY PURCHASER AS PROVIDED IN PARAGRAPH 20 AGAINST ANY SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES ASSERTED AGAINST THE PURCHASER BY A THIRD PARTY.

Seller Acknowledgment:


SignNow e-signature ID: ef87bdd13e...
07/08/2024 23:10:08 UTC

25. BANKRUPTCY WAIVER; CONSENT TO FILING. [RESERVED].

26. ASSIGNMENT BY PURCHASER. Purchaser, without notice to Seller, may assign, transfer and/or pledge all of Purchaser's rights under this Agreement or the Factoring Documents to an affiliate, Purchaser's lender and/or any third party (an "Assignee"). The Seller further acknowledges and agrees that the Assignee will acquire and assume all interest and rights to payments, enforcement of obligations and claims, and will act in the stead of the Purchaser in every regard whatsoever with respect to this Agreement and the Factoring Documents. Seller hereby consents to any such assignment, transfer and/or pledge and agrees that in such event, upon request of Assignee, it will render all acts, performance, and payment directly to Assignee, and that said Assignee shall have all of Purchaser's rights hereunder. The Seller expressly agrees and acknowledges the validity of any future assignment, transfer or pledge to an Assignee without the prior written consent of and without giving notice to the Seller.

27. NO WAIVER. Waiver by Purchaser of any Default under this Agreement or a breach of any warranty, representation, covenant or obligation herein shall not be construed as waiver of any subsequent breach or Default. Failure by Purchaser to exercise any right or remedy hereunder shall not operate as a waiver of any subsequent breach or default. All rights and remedies are cumulative and not alternative.


28. AMENDMENT. This Agreement contains the entire agreement of the Parties and supersedes, replaces and extinguishes any prior agreements between the Parties. This Agreement may not be modified except by a written agreement executed by Seller and Purchaser.

29. SEVERABILITY. If any provision of this Agreement is held or found to be illegal, invalid or unenforceable by any statute, regulation, rule, order or decree of any governmental authority, court, agency or exchange, such invalid provision shall be deemed deleted here from, and the Parties acknowledge and agree that any governmental authority, court, agency or exchange shall revise such provision to the minimum extent necessary to cure such violation. All other provisions in this Agreement shall nevertheless continue to be binding on the parties hereto and shall be of full force and effect.

30. FURTHER COOPERATION. The Parties agree to cooperate in good faith with one another in executing any amendments to this Agreement deemed necessary to confirm the intent of the Parties, including – but not limited to – correcting any clerical mistakes such as page numbers, typos, missing initials, etc., and each of the Parties agrees to execute and deliver such other and further instruments as may be necessary to implement fully the terms of this

- 11 -

Seller Initials:


SignNow e-signature ID: 85d277aac...
07/08/2024 23:10:08 UTC

Agreement. The Parties further acknowledge and agree that the presence of clerical mistakes in the Agreement is not material and do not affect the enforceability of this Agreement.

31. AUTHORITY & ELECTRONIC SIGNATURES. All corporate action on the part of the Seller necessary for the authorization, execution and delivery of the Agreement and the performance of all obligations of the Seller hereunder have been taken prior to the execution of this Agreement. When executed and delivered by the Seller, this Agreement shall constitute valid and legally binding obligation of the Seller, enforceable against the Seller in accordance with its terms. By executing this Agreement, the Parties agree that the use of any electronic signatures is the legally binding equivalent of a handwritten signature and has the same validity and binding effect of a handwritten signature. The Seller further agrees that it will not, at any time, repudiate the validity of this Agreement or argue that its electronic signature is not legally binding. Seller will also not object to the admissibility of this Agreement in the form of an electronic record, the admissibility of a paper copy of an electronic version of the Agreement, or a paper copy of the Agreement bearing an electronic signature on the grounds that it is an electronic record or has an electronic signature that is not an original or not in its original form.

*[THIS SPACE LEFT INTENTIONALLY BLANK]
[SIGNATURE PAGES TO FOLLOW]*

Seller Initials:

AB

monday 07/10/24 11:47

SignNow e-signature ID: 07c09e7417...

SignNow e-signature ID: 07c09e7417... Non-Recourse Factoring and Security Agreement]

IN WITNESS WHEREOF, the undersigned does hereby execute this Agreement as of the date first above written.

BRITELAB, INC.
(THE "SELLER")

Ali Bushehri

 Verified by signNow
07/08/2024 23:10:08 UTC
19a48c6d5fe4cae92b1

By: BSC Investment Group, Inc.
Its: Sole Shareholder

By: Ali Bushehri
Its: Shareholder & Director

Muninderpal SINGH Rekhi

 Verified by signNow
07/09/2024 03:06:07 UTC
685b07403b874469bd61

By: BSC Investment Group, Inc.
Its: Sole Shareholder

By: Muninderpal Singh Rekhi a/k/a Bobby Rekhi
Its: Shareholder & Director

Ali Bushehri

 Verified by signNow
07/08/2024 23:10:08 UTC
d75e4b417e584cabaefb

Its: Chairman & CEO

Muninderpal SINGH Rekhi

 Verified by signNow
07/09/2024 03:06:07 UTC
2fe37ef5502e411bae3b

By: Muninderpal Singh Rekhi a/k/a Bobby Rekhi
Its: Director

SEEN & ACKNOWLEDGED:

CLEARCOAST CAPITAL, LLC
(THE "PURCHASER")

By: Susan E. Linney
Its: Authorized Person

EXHIBIT A
(Description of Collateral)

All Debtor's assets, now owned or hereafter acquired, including, without limitation, all of Debtor's presently owned and hereafter acquired personal and fixture property wherever located, including, without limitation, all accounts, goods, chattel paper, inventory, equipment, instruments, investment property, documents, deposit accounts, commercial tort claims, letters-of-credit rights, general intangibles including payment intangibles, patents, software, trademarks, tradenames, customer lists, supporting obligations, and all proceeds and products of all the foregoing, including without limitation, insurance proceeds, lock box contents, and proceeds (the "collateral"). The collateral specifically includes, without limitation, Debtor's rights to any and all returned and/or repossessed personal property from account Debtors and also shall include all rights of replevin, reclamation, stoppage in transit, and all rights as a seller of goods.

This serves as notice that pursuant to an agreement between Debtor and secured party, Debtor agreed not to grant a security interest in any of the above collateral to any other person without the express written permission of secured party or permit the repayment of any obligation to another person through the debiting of a deposit account or other account. Accordingly, the acceptance of any security interest by anyone other than the secured party or the debiting of Debtor's accounts is likely to constitute tortious interference with secured party rights, tortious interference of contract, or collusion.

In the event that any entity is granted a security interest in Debtor's accounts, chattel paper, or general intangibles contrary to the above, secured party asserts a claim to those accounts, chattel paper, general intangibles, and/or any proceeds thereof received by such entity.

EXHIBIT B
(Additional of Collateral)

EQUIPMENT	QUANTITY	Serial Number(s)
DVT Stocker #1	1	70046043
DVT Stocker #2	1	E25-060XX
200 MM Stocker	1	70041139
300 MM Stocker	1	EO2-06208
AL 4 Car	12	70063177
		70063177
		70063177
		70063177
		70063177
		70063177
		70063177
		70063177
		70063177
		70063177
		70063177
		70063177

The components for the above equipment are:
Assy, Aeroloader IV
Communications Network, Aliv
Assy, Lift Fixture, Aliv
E84 Master and Slave Box Kit
Under Track Storage (UTS), Aliv
PDU, Track, Aliv, Norm Only
Assy, Gen 2 Turbo Stock AC PDU
Assy, Gen 2 Turbo Stock DC PDU
Mio, Turbo-Stocker
AT3 Half Inch Car, 300MM Foup
AT3 Half Inch Car, 200MM Foup
Assy, Station, Vertical, Half
AT3 Half Inch Car, 200MM, Smic & Tsmc Via Edsn
Turn Table, Half, AT3
Horizontal Transfer 39.5In, Half, AT3
Assy, Queue Node, Half, AT3
Commkey



FACTORING & SECURITY AGREEMENT ATTESTATION

DATED: 07/08/2024

THIS FACTORING AGREEMENT ATTESTATION ("Attestation") is executed as the date set forth above by **BRITELAB, INC.**, a Delaware corporation, with offices at 6341 San Ignacio Ave., San Jose, CA 95119 (the "Seller"), and the additional Responsible Parties of the Seller as set forth below.

WHEREAS, on 07/08/2024, Seller entered into a Factoring and Security Agreement with ClearCoast Capital, LLC ("ClearCoast"), and all other addenda and transactional documents (collectively, the "Factoring Agreement");

WHEREAS, the following individuals are persons responsible for the finances of the company and the payment of invoices by the Account Debtors of the Seller: Ali Bushehri and Muninderpal Singh Rekhi a/k/a Bobby Rekhi (collectively with the Seller, the "Responsible Parties").

WHEREAS, under Paragraph 2 of Factoring Agreement; ClearCoast agreed to purchase "Accounts" from the Seller, and in connection with the purchase of the Accounts, Seller granted ClearCoast a perfected first priority lien in certain of its "Collateral" under Paragraph 8 of the Factoring Agreement;

WHEREAS, Seller permitted ClearCoast to notice its Account Debtors under Paragraph 9 of the Factoring Agreement so payment is made directly by the Account Debtors to ClearCoast, and ClearCoast will notice the Account Debtors with the Notice of Assignment that is attached hereto as **Exhibit 1**;

WHEREAS, ClearCoast requires the Responsible Parties to execute this Attestation affirming and acknowledging ClearCoast rights to issue the Notice of Assignments to its Account Debtors and the importance of the Notice of Assignment with regard to the factoring relationship; and

NOW THEREFORE, as evidenced by the signatures below, and in consideration of the obligations as set forth in the Factoring Agreement, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Responsible Parties attest as follows.

1. All capitalized terms in this Attestation not specifically defined herein have the meanings given in the Factoring Agreement.
2. The Responsible Parties acknowledge, understand and agree that:
 - a. ClearCoast is authorized under Paragraphs 9 and 17 of the Factoring Agreement to affix the Seller's signature to the attached Notice of Assignment and issue the Notice of Assignment to certain of the Account Debtors of the Seller;



b. ClearCoast is permitted to issue the Notice of Assignment in order to secure its Collateral and Seller's repayment obligations under the Factoring Agreement, and after the Account Debtors receive the Notice of Assignment, the Account Debtors have a legal obligation under Section 9-406 of the U.C.C. to pay ClearCoast directly all Accounts of the Seller;

c. If an Account Debtor pays you or any third party except for ClearCoast over a Notice of Assignment, the payment obligation of the Account Debtor is not satisfied and will expose the Account Debtor to multiple liability, and ClearCoast will be able to bring a payment over notice claim against the Account Debtor;

d. The Responsible Parties will not; (i) influence an Account Debtor to make payment to the Seller or another third-person over the Notice of Assignment, (ii) interfere with an Account Debtor attempting to make payment to ClearCoast, (iii) represent to an Account Debtor that the Notice of Assignment is not proper or binding, or (iv) take any other action to impede ClearCoast's ability to receive payments from Account Debtors who have received a Notice of Assignment;

e. If a Responsible Party receives payment directly from an Account Debtor, the Responsible Parties will immediately notify ClearCoast and turnover the payment to ClearCoast because a failure to do so is a breach of the Factoring Agreement and is a conversion of ClearCoast's Collateral; and

f. A failure of any Responsible Party to adhere strictly to this Attestation shall be a breach of the Factoring Agreement, and ClearCoast will have the right to pursue all legal claims and actions against the Responsible Parties, Seller and Account Debtors.

3. The Responsible Parties acknowledge, understand and agree that ClearCoast may present this Attestation to Account Debtors in order to persuade them to make payment directly to ClearCoast in accordance with the Notice of Assignment, and the Responsible Parties shall not communicate anything to an Account Debtor inconsistent with this Attestation.

4. The Responsible Parties agree to execute and deliver such other and further documents, instruments and/or agreements presented to them as are necessary to implement fully the terms and intent of this Attestation.

5. The Responsible Parties have all requisite power and authority to execute this Attestation, have taken all actions required by its organizational documents and applicable law which are necessary to authorize or enable the signatories below to execute and deliver this Attestation, and represent and warrant that this Attestation is a valid and binding legal agreement by the Responsible Parties.

6. This Attestation may be executed in multiple counterparts, each of which shall be deemed an original, all of which together shall constitute one and the same agreement.



IN WITNESS WHEREOF, the undersigned Responsible Parties do hereby execute this Attestation as of the date first above written.

SELLER:

BriteLab, Inc.,

Ali Bushehri

Verified by signNow
07/09/2024 23:10:08 UTC
94b22705cf744d6086cd

By: BriteLab, Inc.

Its: Sole Shareholder

By: Ali Bushehri

Its: Shareholder & Director

Muninderpal SINGH Rekhi

Verified by signNow
07/09/2024 03:06:07 UTC
22a634e0cc1e44c4966d

By: BSC investment Group, Inc.

Its: Sole Shareholder

By: Muninderpal Singh Rekhi a/k/a Bobby Rekhi

Its: Shareholder & Director

Ali Bushehri

Verified by signNow
07/08/2024 23:10:08 UTC
3cb4ed54d58e4f9d82d4

Its: Chairman & CEO

Muninderpal SINGH Rekhi

Verified by signNow
07/09/2024 03:06:07 UTC
88b88e617152446092fc

By: Muninderpal Singh Rekhi a/k/a Bobby Rekhi

Its: Director



IN WITNESS WHEREOF, the undersigned Responsible Parties do hereby execute this Attestation as of the date first above written.

RESPONSIBLE INDIVIDUALS:

Ali Busheri



By: Ali Busheri, Individually

Muninderpal SINGH Rekhi



By: Muninderpal Singh Rekhi a/k/a Bobby Rekhi, Individually



EXHIBIT 1

(NOTICE OF ASSIGNMENT)

UNANIMOUS WRITTEN CONSENT OF BOARD OF DIRECTORS

The undersigned, being all of the duly appointed directors of BriteLab, Inc., a Delaware corporation, (the "Company"), this Eighth day of July, 2024, do hereby waive any and all requirements for notice of a board meeting pursuant to the by-laws of the Company, and in accordance with the unanimous written consent of the directors pursuant to the by-laws, do hereby take the following actions and adopt the following preambles and resolutions by signing this unanimous written consent hereto:

WHEREAS, the Company is a corporation organized and existing under the laws of the State of Delaware, and the shareholders, officers, and/or Directors of the Company's Board of Directors executing this resolution below reflect all of the necessary shareholders, officers, and/or Directors of the Board of Directors of the Company required to vote and approve all transactions with respect to the operations and actions of the Company; and

WHEREAS, the Company and its shareholders, officers, and Directors of the Company's Board of Directors have reviewed and contemplated the terms and conditions of the Factoring and Security Agreement, Confession of Judgment, and other related transaction documents dated 07/08/2024 by and between ClearCoast Capital, LLC and BriteLab, Inc., a Delaware corporation (the "Factoring Documents") for purposes of entering into a factoring arrangement wherein ClearCoast Capital, LLC agrees to extend certain capital to BriteLab, Inc. for purposes of assisting in the operation of its Company's business in return for being granted a security interest in the accounts receivables and other assets of the Company, and have determined that it is advisable and in the best interest of the Company to enter into and execute the Factoring Documents; and

WHEREAS, the Company and its shareholders, officers, and/or Directors of the Company's Board of Directors have reviewed and contemplated the terms and conditions of the Factoring Documents, and understands that by virtue of the financing arrangement it is necessary that the Company grant ClearCoast Capital, LLC an Irrevocable Power of Attorney and appoint ClearCoast Capital, LLC, its special attorney in fact, or agent, with power to perform certain actions as enumerated therein on behalf of the company in order to effectuate the agreements entered into in the Factoring Documents, and have determined that it is advisable and in the best interests of the Company to enter into and execute the Factoring Documents; and

WHEREAS, the shareholders, officers, and/or Directors of the Company's Board of Directors and the Company have determined that it is advisable and in the best interests of the Company to enter into and execute the Factoring Documents, the granting of the Power of Attorney to ClearCoast Capital, LLC, and all other documents necessary to effectuate the factoring arrangement and agreements between the parties; and

NOW THEREFORE IT IS HEREBY RESOLVED, that the Factoring Agreement, Confession of Judgment, and other related documents (hereinafter "Factoring Documents") dated 07/08/2024 between BriteLab, Inc., a Delaware corporation, hereinafter referred to as ("Company") and ClearCoast Capital, LLC, its affiliates, successors and/or assigns, as their interests may appear, hereinafter referred to as ("Buyer" or "Purchaser") and all other agreements and documents connected therewith be, and the same hereby be, approved on the terms and conditions as forth therein:

IT IS FURTHER RESOLVED, that an Irrevocable Power of Attorney is hereby granted to ClearCoast Capital, LLC or any person designated by ClearCoast Capital, LLC, its special attorney in fact, or agent, with power to (a) receive, take, endorse, assign, deliver, accept and deposit, in the name of Purchaser or Seller, any and all cash, checks, commercial paper, drafts, remittances and other instruments and documents relating to the Collateral or the proceeds thereof, (b) take or bring, in the name of Purchaser or Seller, all steps, actions, suite or proceedings deemed by Purchaser necessary or desirable to effect collection of or other realization upon the accounts and other Collateral, (c) after an Event of Default, change the address for delivery of mail to Seller and to receive and open mail addressed to Seller, (d) after an Event of Default, extend the time of payment of, compromise or settle for cash, credit, return of merchandise, and upon any terms or conditions, any and all accounts or other Collateral which includes a monetary obligation and discharge or release any account debtor or other obligator, without affecting any of the Obligations, and (e) execute in the name of Seller and file against Seller in favor of Purchaser financing statements or amendments with respect to the Collateral, and (f) pay any sums necessary to discharge any lien or encumbrance which is senior to Purchaser's security interest in the Collateral, which sums shall be included as obligations hereunder, and in connection with which sums the Late Charge shall be due and payable, and to (g) initiate electronic debit and/or credit entries through the ACH system to any of Seller's accounts maintained with Depository or at any other financial institution;

IT IS FURTHER RESOLVED, that any shareholder, officer, or Directors of the Board of Directors, if any, of the Company whose name(s) is/are listed below is/are hereby authorized and directed to negotiate, agree upon, execute and deliver, from time to time, in the name of and behalf of the Company, such agreements, amendments, addendum, schedules of assignment, account transmittals, documents, instruments, certificates, financing statements, notices of further assurances, and to perform any and all such acts and things as may be required by ClearCoast Capital, LLC, including but not limited to the authority to enter into a Factoring Agreement, in connection with said Factoring Documents or any other agreement or document connected therewith, in all respects and to implement the purposes set forth in these resolutions;

IT IS FURTHER RESOLVED, That the Company grants ClearCoast Capital, LLC the authority to endorse its name to checks, drafts, and other instruments payable to the Company and to receive cash therefore from any and all Customers of the Company and to endorse checks and drafts payable to the undersigned for deposit to the account of ClearCoast Capital, LLC or to any other account at any financial institution or bank which ClearCoast Capital, LLC may designate, and to retain such deposited funds or draw checks against same as may be determined by ClearCoast Capital, LLC;

IT IS FURTHER RESOLVED, That the undersigned agree that no revocation of this authorization shall be binding until all account(s) receivable and/or other obligations of the undersigned to ClearCoast Capital, LLC are satisfied in full, and written notice of revocation thereof has been actually received by ClearCoast Capital, LLC designated financial institution or bank, signed jointly by the undersigned and ClearCoast Capital, LLC. Such revocation shall in all events be effective only for items received subsequent to such mutually executed notification. Any written revocation not signed jointly by the undersigned and ClearCoast Capital, LLC shall have no force and effect;

IT IS FURTHER RESOLVED, That the following named persons are authorized signatories for the Company, the signature of the undersigned shall be binding upon the

Company, and the undersigned persons are authorized to execute the Factoring Documents in favor of ClearCoast Capital, LLC:

NAME:	TITLE:	SIGNATURE:
Ali Bushehri	Chairman & CEO	_____
Muninderpal Singh Rekhi a/k/a Bobby Rekhi	Director	_____

IT IS FURTHER RESOLVED, that these resolutions shall remain in full force and effect until written notice of their amendment or repeal shall be received by ClearCoast Capital, LLC and until all indebtedness and obligations arising out of said Factoring Documents and all other agreements and documents connected therewith shall have been paid and satisfied in full;

IT IS FURTHER RESOLVED, that the Company shall first receive the written approval and authorization of Buyer prior to the commencement of any proceeding under any federal, state or other law relating to bankruptcy, receivership, insolvency or other debtor relief laws initiated by or against the Company, whether voluntary or involuntary ("Insolvency Proceeding"), and should the written consent of Buyer not be received prior to the commencement of an Insolvency Proceeding, the Company shall consent to and/or join any filing made or position asserted by Buyer to dismiss such Insolvency Proceeding based on the Company's failure to receive Buyer's written consent as required by this Resolution. For the avoidance of doubt, Company desires that this be an absolute condition precedent, and the Company irrevocably waives, releases and forfeits any objection, opposition or other legal right it may have whatsoever to any filing made or position asserted by Buyer based on this Resolution. As such, the Company shall not file any pleading or other document in connection with an Insolvency Proceeding inconsistent with the provisions of this Resolution;

IT IS FURTHER RESOLVED, The undersigned, duly constitute all of the Board of Directors of the Company do hereby certify that the foregoing is a true and correct copy of the resolutions duly adopted at a meeting of all directors of the Board of Directors of the Company, and this unanimous written consent satisfy the by-laws and is legal authorization for the Authorized Persons above to act on behalf of the Company;

IT IS FURTHER RESOLVED, We further certify that the foregoing resolutions are within the power of the directors to pass as provided by the bylaws;

IT IS FURTHER RESOLVED, We further certify that the directors of this Company hereunder set forth have been duly elected, and as of the date hereof, hold the offices specified and that the signatures set forth beside each name are true and valid.

[THIS SPACE LEFT INTENTIONALLY BLANK]
[SIGNATURE PAGES TO FOLLOW]

The above resolutions set forth in this unanimous written consent of the Board of Directors of the Company is taken and adopted as of the date first above written and shall be filed with the minutes of the Company.

BRITELAB, INC.
("THE COMPANY")

Ali Bushehri

 Verified by signNow
07/08/2024 23:10:08 UTC
f74592f8f46a41cabd19
By: Ali Bushehri Investment Group, Inc.
Its: Sole Shareholder

By: Ali Bushehri
Its: Shareholder & Director

Muninderpal Singh Rekhi

 Verified by signNow
07/09/2024 03:06:07 UTC
c71077e5e21a4a75a710
By: Ali Bushehri Investment Group, Inc.
Its: Sole Shareholder

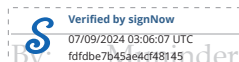
By: Muninderpal Singh Rekhi a/k/a Bobby Rekhi
Its: Shareholder & Director

DIRECTORS

Ali Bushehri

 Verified by signNow
07/08/2024 23:10:08 UTC
3698acf274654fbeb598
By: Ali Bushehri, Individually

Muninderpal Singh Rekhi

 Verified by signNow
07/09/2024 03:06:07 UTC
fdfdabe7b45aedd48145
By: Muninderpal Singh Rekhi a/k/a Bobby Rekhi, Individually

UNANIMOUS WRITTEN CONSENT OF BOARD OF DIRECTORS

The undersigned, being all of the duly appointed directors of BSC Investment Group, Inc., a Delaware corporation, (the "Company"), this Eighth day of July, 2024, do hereby waive any and all requirements for notice of a board meeting pursuant to the by-laws of the Company, and in accordance with the unanimous written consent of the directors pursuant to the by-laws, do hereby take the following actions and adopt the following preambles and resolutions by signing this unanimous written consent hereto:

WHEREAS, the Company is a corporation organized and existing under the laws of the State of Delaware, and the shareholders, officers, and/or Directors of the Company's Board of Directors executing this resolution below reflect all of the necessary shareholders, officers, and/or Directors of the Board of Directors of the Company required to vote and approve all transactions with respect to the operations and actions of the Company; and

WHEREAS, the Company and its shareholders, officers, and Directors of the Company's Board of Directors have reviewed and contemplated the terms and conditions of the Corporate Continuing Guaranty (the "Corporate Guaranty"), which guaranties the obligations under the Factoring Agreement, Confession of Judgement and other related transactional documents dated 07/08/2024 by and between ClearCoast Capital, LLC and BriteLab, Inc., a Delaware corporation (the "Factoring Documents") for purposes of entering into a factoring arrangement wherein ClearCoast Capital, LLC agrees to extend certain capital to BriteLab, Inc.; and

WHEREAS, the below signed shareholders, officers, and/or Directors of the Company represent all of the Directors of the Board of Directors of the Company that are authorized to make all decisions and bind the Company for all business actions, and no other signatures or approval of any other parties are required in order to enter into and bind the Company to the Factoring Documents and resolutions contained herein; and

WHEREAS, the shareholders, officers, and/or Directors of the Company's Board of Directors and the Company have determined that it is advisable and in the best interests of the Company to enter into and execute the Corporate Continuing Guaranty, which guaranties the obligations under the Factoring Documents, , and all other documents necessary to effectuate the factoring arrangement and agreements between the parties; and

NOW THEREFORE IT IS HEREBY RESOLVED, that the Corporate Guaranty and all other agreements and documents connected therewith be, and the same hereby be, approved on the terms and conditions as forth therein:

IT IS FURTHER RESOLVED, that any shareholder, officer, or Directors of the Board of Directors, if any, of the Company whose name(s) is/are listed below is/are hereby authorized and directed to negotiate, agree upon, execute and deliver, from time to time, in the name of and behalf of the Company, such agreements, amendments, addendum, schedules of assignment, account transmittals, documents, instruments, certificates, financing statements, notices of further assurances, and to perform any and all such acts and things as may be required by ClearCoast Capital, LLC, including but not limited to the authority to enter into a Corporate Guaranty, in connection with said Factoring Documents or any other agreement or document connected therewith, in all respects and to implement the purposes set forth in these resolutions;

IT IS FURTHER RESOLVED, That the following named persons are authorized signatories for the Company, the signature of the undersigned shall be binding upon the Company, and the undersigned persons are authorized to execute the Factoring Documents in favor of ClearCoast Capital, LLC:

NAME:	TITLE:	SIGNATURE:
Ali Bushehri	Shareholder & Director	_____
Muninderpal Singh Rekhi a/k/a Bobby Rekhi	Shareholder & Director	_____

IT IS FURTHER RESOLVED, that these resolutions shall remain in full force and effect until written notice of their amendment or repeal shall be received by ClearCoast Capital, LLC and until all indebtedness and obligations arising out of said Factoring Documents and all other agreements and documents connected therewith shall have been paid and satisfied in full;

IT IS FURTHER RESOLVED, The undersigned, duly constitute all of the Board of Directors of the Company do hereby certify that the foregoing is a true and correct copy of the resolutions duly adopted at a meeting of all directors of the Board of Directors of the Company, and this unanimous written consent satisfy the by-laws and is legal authorization for the Authorized Persons above to act on behalf of the Company;

IT IS FURTHER RESOLVED, We further certify that the foregoing resolutions are within the power of the directors to pass as provided by the bylaws;

IT IS FURTHER RESOLVED, We further certify that the directors of this Company hereunder set forth have been duly elected, and as of the date hereof, hold the offices specified and that the signatures set forth beside each name are true and valid.

[THIS SPACE LEFT INTENTIONALLY BLANK]
[SIGNATURE PAGES TO FOLLOW]

The above resolutions set forth in this unanimous written consent of the Board of Directors of the Company is taken and adopted as of the date first above written and shall be filed with the minutes of the Company.

BSC INVESTMENT GROUP, INC.
("THE COMPANY")

Ali Bushehri

Verified by signNow
07/08/2024 23:10:08 UTC
c07935e58eb64ee6b71c

Its: Shareholder & Director

Mumindarpal SINGH Rekhi

Verified by signNow
07/09/2024 03:06:07 UTC
7f2361d6e6cb422cac08

By: Mumindarpal Singh Rekhi a/k/a Bobby Rekhi
Its: Shareholder & Director

DIRECTOR

Ali Bushehri

Verified by signNow
07/08/2024 23:10:08 UTC
8a86f801f33541f1871

By: Ali Bushehri, Individually

Mumindarpal SINGH Rekhi

Verified by signNow
07/09/2024 03:06:07 UTC
1d87209e53b843f0ab30

By: Mumindarpal Singh Rekhi a/k/a Bobby Rekhi, Individually

CORPORATE CONTINUING GUARANTY

In consideration of financial accommodations provided or to be provided, and for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, to BriteLab, Inc. (herein called "Debtor") by ClearCoast Capital, LLC (herein called the "Creditor"), and in consideration of the Creditor's agreeing to deal and continue to deal with the Debtor, the undersigned, BSC Investment Group, Inc. ("Guarantor"), whose address is Guarantor Address, hereby agrees as follows:

1. Guarantor, jointly and severally, and in solido, hereby guarantees Creditor, its successors, endorsees and assigns, (collectively called the "Creditor") that BriteLab, Inc. (the "Debtor"), whose address is 6341 San Ignacio Ave., San Jose, CA 95119, shall promptly and fully perform, pay and discharge all of its present and future liabilities, obligations and indebtedness to the Creditor, whether direct or indirect, joint or several, absolute or contingent, secured or unsecured, matured or unmatured, and whether originally contracted or with otherwise acquired by the Creditor (all of which liabilities, obligations and indebtedness are herein individually and collectively called the "Indebtedness").
2. This Guaranty is an absolute guaranty of payment and not of collectability. The liability of each Guarantor hereunder is not conditional or contingent upon genuineness, validity, sufficiency or enforceability of the Indebtedness or any instruments, or agreements related thereto (collectively called "Agreements") or any security or collateral therefore (collectively called "Security") or the pursuit by the Creditor of any rights or remedies which it has or may hereafter have.
3. If the Debtor fails to pay the Indebtedness promptly as the same becomes due, or otherwise fails to perform any obligation under any of the Agreements, Guarantor agrees to pay on demand the entire Indebtedness and all losses, costs, attorneys' fees and expenses which may be suffered by the Creditor by reason of the Debtor's default or the attorneys' fees and expenses which may be suffered by the Creditor by reason of the Debtor's default or the default of any Guarantor hereunder, and agrees to be bound by and to pay on demand any deficiency established by the sale of any of the Agreements or Security, all without relief from valuation and appraisal law and without required the Creditor to (i) proceed against the Debtor by suit or otherwise, (ii) foreclose, proceed against, liquidate or exhaust any of the Agreements or Security, or (iii) exercise, pursue or enforce any right or remedy the Creditor may have against the Debtor, any co-Guarantor (whether hereunder or under a separate instrument) or any other party.
4. Guarantor agrees that Creditor may offset, deduct, collect, retain and transfer the collateral, including but not limited to, the accounts and proceeds thereof, of the Guarantor without notice to Guarantor. Furthermore, Guarantor acknowledges that it has granted Creditor the right to notify its account debtors to make payment directly to Creditor pursuant to 9-406 and 9-607 of the Uniform Commercial Code.
5. Guarantor agrees that: this Guaranty shall not be discharged or affected by any circumstances which constitute a legal or equitable discharge of a Guarantor or surety; the records of the Creditor shall be received as conclusive evidence of the amount of the indebtedness at any time owing; one or more successive or concurrent suits may be brought and maintained against any or all of the Guarantors, at the option of the Creditor, with or without joinder of the Debtor of any of the other Guarantors, at the option of the Creditor, with or without joinder of the Debtor of any of the other Guarantors as parties thereto; such Guarantor will not avail itself of any defense whatsoever which the Debtor may have against the Creditor, other than full payment of indebtedness; and such Guarantor will not seek a change of venue from any jurisdiction or court in which any action, proceeding or litigation is commenced.

Please Initial Here

AB

Wm. B. Smith

SignNow e-signature ID: f70c3645ba...

Case: 23-51520

SignNow e-signature ID: 2ad1201a7070929241090607 UTC
07/08/2024 23:10:08 UTC

Filed: 07/10/24

Entered: 07/10/24 11:47:13

Page 51 of

6. **GUARANTOR HEREBY WAIVES NOTICE OF ANY ADVERSE CHANGE IN THE DEBTOR'S CONDITION OR OF ANY OTHER FACT WHICH MIGHT MATERIALLY INCREASE SUCH GUARANTOR'S RISK, WHETHER OR NOT THE CREDITOR HAS KNOWLEDGE OF THE SAME. EACH GUARANTOR ALSO HEREBY WAIVES ANY CLAIM, RIGHT OR REMEDY WHICH SUCH GUARANTOR MAY NOW HAVE OR HEREAFTER ACQUIRE AGAINST THE DEBTOR THAT ARISES HEREUNDER AND/OR FROM THE PERFORMANCE BY ANY GUARANTOR HEREUNDER INCLUDING, WITHOUT LIMITATION, ANY CLAIM REMEDY OR RIGHT OF SUBROGATION, REIMBURSEMENT, EXONERATION, CONTRIBUTION, INDEMNIFICATION, OR PARTICIPATION IN ANY CLAIM, RIGHT OR REMEDY OF THE CREDITOR AGAINST THE DEBTOR OR ANY SECURITY WHICH THE CREDITOR NOW HAS OR HEREAFTER ACQUIRES; WHETHER OR NOT SUCH CLAIM, RIGHT OR REMEDY ARISES IN EQUITY, UNDER CONTRACT, BY STATUTE, UNDER COMMON LAW OR OTHERWISE.**
7. No termination hereof shall be effective until Guarantor delivers to the Creditor a written notice signed by them electing not to guaranty any new extension of credit that may be granted by the Creditor to the Debtor after its receipt of such notice, but such notice shall not affect the obligations of the guarantors hereunder as to any and all indebtedness existing at the time such notice is received.
8. Guarantor hereby waives (i) notice of acceptance hereof and notice of extensions of credit given by the Creditor to the Debtor from time to time; (ii) presentment, demand, protest, and notice of non-payment or protest as to any note or other evidence of indebtedness signed, accepted, endorsed or assigned to the Creditor by the Debtor, (iii) all exemptions and homestead laws; (iv) any other demands and notices required by law; and (v) any right to trial by jury.
9. The Creditor may at any time and from time to time, without notice to or the consent of any Guarantor, and without affecting or impairing the obligation of any Guarantor hereunder; (a) renew, extend or refinance any part or all for the indebtedness of the Debtor or and Indebtedness of its customers, or of any co-Guarantor (whether hereunder or under a separate instrument) or any other party; (b) accept partial payments of the Indebtedness and apply such payments to any part of the Indebtedness; (c) settle, release (by operation of law or otherwise), compound, compromise, collect or liquidate, in any manner, any of the Indebtedness, any Security; (e) bid and purchase at any sale of any of the Agreements of Security; and (f) exercise any and all rights and remedies available to the Creditor by law or agreement even if the exercise thereof may affect, modify or eliminate any rights or remedies which a Guarantor may have against the Debtor.
10. Guarantor shall continue to be liable under this Guaranty, the provisions hereof shall remain in full force and effect, and the Creditor shall not be estopped from exercising any rights hereunder, notwithstanding (i) the Creditor waiver of or failure to enforce any terms, covenants or conditions continued in any of the Agreements; (ii) any release or failure on the part of the Creditor to perfect any security interest in or foreclose, proceed against, or exhaust, any Security; or (iii) the Creditor failure to take new, additional or substitute security or collateral for the Indebtedness.
11. This Guaranty shall be governed by the laws of the state of South Carolina.
12. Each Guarantor agrees that the Creditor may bring any legal proceedings it deems necessary to enforce any or all of such Guarantor's obligations hereunder in any court in the State in which the Creditor's office administering the Indebtedness is located.

Please Initial Here

A B

Witnessed by [Signature]

SignNow e-signature ID: 7557782b33...

13. Guarantor represents, covenants, and warrants to Creditor, that it shall not form, create, or cause to form, create, operate, or use any "Alter Ego Entity" (as defined herein) with the name BriteLab, Inc., or any similar name or other entity or business, joint venture or otherwise, with respect to BriteLab, Inc. or BSC Investment Group, Inc.'s business. Guarantor expressly acknowledges, covenants, and represents that it understands that an Alter Ego Entity is formed or occurs in instances whereby: (i) an individual or entity completely disregards the distinctiveness of the entity and ignores the corporate form of an entity such as BriteLab, Inc.; (ii) an entity is formed to direct or take business away from the actual entity operating (here BriteLab, Inc.) the respective business to avoid creditors or sidestep existing obligations; (iii) makes or directs transfers of accounts, customers, equipment, assets, and property from one distinctive company (such as BriteLab, Inc.) to another purportedly formed entity for purposes of evading creditors or for other improper purposes; and (iv) other similar actions. In connection with the covenants herein, Guarantor (as the primary owner, authorized person, and beneficiary of BSC Investment Group, Inc. and BriteLab, Inc.) covenants that it shall not cause, directly or indirectly, for any BriteLab, Inc. business, customers, property, assets, work, projects, invoices, payment rights, or the like to be directed through any Alter Ego Entity, or any entity other than BriteLab, Inc. without the written and signed consent of the Creditor.

The failure of Creditor to comply with this Section 13 of the Guaranty shall be considered an immediate breach of this Guaranty, the Factoring Agreement, and all related transaction documents. Upon the occurrence of such breach under this Section Creditor shall be authorized to take immediate action to liquate, collect, and enforce under this Guaranty, the Factoring Agreement, and any other rated transaction documents.

14. All rights and remedies of the Creditor are cumulative and not alternative. Each provision of this Guaranty is intended to be severable. If any term or provision hereof is declared to be contrary to, prohibited by or invalid under applicable laws or regulations shall be inapplicable and deemed omitted here from, but shall not invalidate the remaining terms and provisions hereof.

BSC Investment Group, Inc.
("Guarantor")

Ali Bushehri

Verified by signNow
07/08/2024 23:10:08 UTC
a7ac0d7200324b2586ea
Its: Shareholder & Director

Muninderpal Singh Rekhi

Verified by signNow
07/09/2024 03:06:07 UTC
5f3956a2b92b450b9f4f
Its: Shareholder & Director

Please Initial Here

A B

Muninderpal Singh Rekhi

SignNow e-signature ID: 11b9b1c484...

CONTINUING UNCONDITIONAL GUARANTY

For Valuable Consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned, for themselves, their heirs, executors, personal representatives, successors and assigns (individually, a “*Guarantor*” and collectively, the “*Guarantors*”) jointly and severally and in solido, hereby guaranty ClearCoast Capital, LLC, a Delaware Limited Liability Company, its affiliates, successors and/or assigns, as their interests may appear, (collectively, the “*Company*”) that BriteLab, Inc. (the “*Client*”), whose address is 6341 San Ignacio Ave., San Jose, CA 95119, shall promptly and fully perform, pay and discharge all of its present and future liabilities, obligations and indebtedness to the Company, whether direct or indirect, joint or several, absolute or contingent, secured or unsecured, matured or unmatured, and whether originally contracted for or afterwards incurred (all of which liabilities, obligations and indebtedness are collectively called the “*Indebtedness*”).

This Guaranty is an absolute guaranty of payment and not of collectability. The liability of each Guarantor hereunder is not conditional or contingent upon genuineness, validity, sufficiency or enforceability of the indebtedness or any instruments, contracts, agreements, addendum, chattel paper or other documents related thereto (collectively, the “*Agreements*”) or any security or collateral therefore (collectively, the called “*Security*”) or the pursuit by the Company of any rights or remedies which it has or may hereafter have. If the Client fails to pay the Indebtedness promptly as the same becomes due, or otherwise fails to perform any obligation under any of the Agreements, each Guarantor agrees to pay on demand the entire Indebtedness and all losses, costs, attorneys’ fees and expenses which may be suffered by the Company by reason of the Client’s default or the attorneys’ fees and expenses which may be suffered by the Company by reason for the Client’s default or the default of any Guarantor hereunder, and agrees to be bound by and to pay on demand any deficiency established by the sale of any of the Security or Collateral, all without relief from valuation and appraisement law and without required the Company to (i) proceed against the Client by suit or otherwise, (ii) foreclose, proceed against, liquidate or exhaust any of the Agreements or Security, or (iii) exercise, pursue or enforce any right or remedy the Company may have against the Client, any co-Guarantor (whether hereunder or under a separate instrument) or any other party.

Each Guarantor agrees that: this Guaranty shall not be discharged or affected by any circumstances which constitute a legal or equitable discharge of a Guarantor or surety, or by the death of any Guarantor; the records of the Company shall be received as conclusive evidence of the amount of the Indebtedness at any time owing; one or more successive or concurrent suits may be brought and maintained against any or all of the Guarantors, at the option of the Company, with or without joinder of the Client or any of the other Guarantors, as parties thereto; such Guarantor will not avail itself of any defense whatsoever which the Client may have against the Company, other than full payment of

- 1 -

[Continuing Guaranty of Ali Bushehri]

indebtedness; and such Guarantor will not seek a change of venue from any jurisdiction or court in which any action, proceeding or litigation is commenced.

EACH GUARANTOR HEREBY WAIVES NOTICE OF ANY ADVERSE CHANGE IN THE CLIENT'S CONDITION OR OF ANY OTHER FACT, WHICH MIGHT MATERIALLY INCREASE SUCH GUARANTOR'S RISK, WHETHER OR NOT THE COMPANY HAS KNOWLEDGE OF THE SAME. EACH GUARANTOR ALSO HEREBY WAIVES ANY CLAIM, RIGHT OR REMEDY WHICH SUCH GUARANTOR MAY NOW HAVE OR HEREAFTER ACQUIRE AGAINST THE COMPANY THAT ARISES HEREUNDER AND/OR FROM THE PERFORMANCE BY ANY GUARANTOR HEREUNDER INCLUDING, WITHOUT LIMITATION, ANY CLAIM REMEDY OR RIGHT OF SUBROGATION, REIMBURSEMENT, EXONERATION, CONTRIBUTION, INDEMNIFICATION, OR PARTICIPATION IN ANY CLAIM, RIGHT OR REMEDY OF THE COMPANY AGAINST THE CLIENT OR ANY SECURITY WHICH THE COMPANY NOW HAS OR HEREAFTER ACQUIRES; WHETHER OR NOT SUCH CLAIM, RIGHT OR REMEDY ARISES IN EQUITY, UNDER CONTRACT, BY STATUTE, UNDER COMMON LAW OR OTHERWISE.

Each Guarantor hereby waives (i) notice of acceptance hereof and notice of extensions of credit given by the Company to the Client from time to time; (ii) presentment, demand, protest, and notice of non-payment or protest as to any note or other evidence of Indebtedness signed, accepted, endorsed or assigned to the Company by the Client, (iii) all exemptions and homestead laws; (iv) any other demands and notices required by law; and (v) any right to trial by jury.

The Company may at any time and from time to time, without notice to or the consent of any Guarantor, and without affecting or impairing the obligation of any Guarantor hereunder; (a) renew, extend or refinance any part or all of the Indebtedness of the Client, any co-Guarantor (whether hereunder or under a separate instrument) or any other party; (b) accept partial payments of the Indebtedness and apply such payments to any part of the Indebtedness; (c) settle, release (by operation of law or otherwise), compound, compromise, collect or liquidate, in any manner, any of the Indebtedness, Security or Collateral; (d) bid and purchase at any sale of any of the Agreements of Security; and (e) exercise any and all rights and remedies available to the Company by law or agreement even if the exercise thereof may affect, modify or eliminate any rights or remedies which a Guarantor may have against the Client. Each Guarantor shall continue to be liable under this Guaranty, the provisions hereof shall remain in full force and effect, and the Company shall not be estopped from exercising any rights hereunder, even if (i) the Company waives or fails to enforce any terms, covenants or conditions contained in any of the Agreements; (ii) release or failure on the part of the Company to perfect any security interest in or foreclose, proceed against, or

exhaust, any Security or Collateral; or (iii) the Company fails to take new, additional or substitute security or collateral for the Indebtedness.

As security for the payment and performance of all Guarantor's obligations under this Guaranty, Guarantor hereby transfers and grants to the Company a first priority security interest in all of Guarantor's presently-owned and hereafter-acquired personal and fixture property, wherever located, including, without limitation, all Accounts, Goods, Chattel Paper, Inventory, Equipment, Instruments, Investment Property, Documents, Deposit Accounts, Commercial Tort Claims, Letters-of-Credit Rights, General Intangibles including Payment Intangibles, Patents, Software Trademarks, Trade Names, Customer Lists, Supporting Obligations, all proceeds and products of the foregoing, including without limitation, insurance proceeds, lock box contents and proceeds from the accounts of the Client's account debtors (the "*Collateral*"). In the event of any breach by Guarantor under this Guaranty or any other obligation of Guarantor to the Company, the Company shall have all rights with respect to the aforesaid Collateral as a secured party under the applicable UCC laws as hereinafter provided.

Each Guarantor agrees that the Company may bring any legal proceedings it deems necessary to enforce any or all of such Guarantor's obligations hereunder in any court of competent jurisdiction, including the courts located in Charleston, South Carolina. Each Guarantor shall be liable for all attorney's fees and all other costs and expenses incurred by Company related to this Guaranty and the enforcement of this Guaranty. All rights and remedies of the Company are cumulative and not alternative. Each provision of this Guaranty is intended to be severable. If any term or provision hereof is declared to be contrary to, prohibited by or invalid under applicable laws or regulations shall be inapplicable and deemed omitted here from, but shall not invalidate the remaining terms and provisions hereof.

The parties to this Guaranty agree and acknowledge that the Company may assign, transfer, convey, hypothecate or pledge any or all of its rights and/or obligations under this Guaranty, the Agreements and other related documents to any person, including - but not limited to - any person or entity affiliated with the Company or another creditor, without the prior written consent of and without giving notice to the Guarantor. The Guarantor further acknowledges and agrees that any assignee, transferee and/or creditor will acquire and assume all interest and rights to payments, enforcement of obligations and claims, and will act in the stead of the Company in every regard whatsoever with respect to all rights and claims under this this Guaranty, the Agreements and other related documents. The Guarantor expressly agrees to this Section and acknowledges the validity of any future assignment, transfer, hypothecation or pledge without the prior written consent of and without giving notice to the Guarantor, and agrees that any assignment, transfer, hypothecation or pledge by the Company will not

be asserted as the basis for any defense or claim against the Company, transferee, assignee and/or creditor.

WAIVER OF TRIAL BY JURY. IN RECOGNITION OF THE HIGHER COSTS AND DELAY WHICH MAY RESULT FROM A JURY TRIAL AND, TO THE EXTENT PERMITTED BY LAW, THE PARTIES HERETO WAIVE ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (A) ARISING HEREUNDER, OR (B) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE, AND EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE ANY SUCH ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY A TRIAL WITHOUT A JURY, AND THAT ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

[THIS SPACE LEFT BLANK]
[SIGNATURE PAGE TO FOLLOW]

- 4 -

AB

[Continuing Guaranty of Ali Bushehri]

IN WITNESS WHEREOF, the Guarantor has executed this Guaranty on
07/08/2024 .

Ali Bushehri



Ali Bushehri
Personally

Social Security Number 219-84-1122

- 5 -

[Signature Page – Continuing Guaranty of Ali Bushehri]

AB

CONTINUING UNCONDITIONAL GUARANTY

For Valuable Consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned, for themselves, their heirs, executors, personal representatives, successors and assigns (individually, a "*Guarantor*" and collectively, the "*Guarantors*") jointly and severally and in solido, hereby guaranty ClearCoast Capital, LLC, a Delaware Limited Liability Company, its affiliates, successors and/or assigns, as their interests may appear, (collectively, the "*Company*") that BriteLab, Inc. (the "*Client*"), whose address is 6341 San Ignacio Ave., San Jose, CA 95119, shall promptly and fully perform, pay and discharge all of its present and future liabilities, obligations and indebtedness to the Company, whether direct or indirect, joint or several, absolute or contingent, secured or unsecured, matured or unmatured, and whether originally contracted for or afterwards incurred (all of which liabilities, obligations and indebtedness are collectively called the "*Indebtedness*").

This Guaranty is an absolute guaranty of payment and not of collectability. The liability of each Guarantor hereunder is not conditional or contingent upon genuineness, validity, sufficiency or enforceability of the indebtedness or any instruments, contracts, agreements, addendum, chattel paper or other documents related thereto (collectively, the "*Agreements*") or any security or collateral therefore (collectively, the called "*Security*") or the pursuit by the Company of any rights or remedies which it has or may hereafter have. If the Client fails to pay the Indebtedness promptly as the same becomes due, or otherwise fails to perform any obligation under any of the Agreements, each Guarantor agrees to pay on demand the entire Indebtedness and all losses, costs, attorneys' fees and expenses which may be suffered by the Company by reason of the Client's default or the attorneys' fees and expenses which may be suffered by the Company by reason for the Client's default or the default of any Guarantor hereunder, and agrees to be bound by and to pay on demand any deficiency established by the sale of any of the Security or Collateral, all without relief from valuation and appraisement law and without required the Company to (i) proceed against the Client by suit or otherwise, (ii) foreclose, proceed against, liquidate or exhaust any of the Agreements or Security, or (iii) exercise, pursue or enforce any right or remedy the Company may have against the Client, any co-Guarantor (whether hereunder or under a separate instrument) or any other party.

Each Guarantor agrees that: this Guaranty shall not be discharged or affected by any circumstances which constitute a legal or equitable discharge of a Guarantor or surety, or by the death of any Guarantor; the records of the Company shall be received as conclusive evidence of the amount of the Indebtedness at any time owing; one or more successive or concurrent suits may be brought and maintained against any or all of the Guarantors, at the option of the Company, with or without joinder of the Client or any of the other Guarantors, as parties thereto; such Guarantor will not avail itself of any defense whatsoever which the Client may have against the Company, other than full payment of

indebtedness; and such Guarantor will not seek a change of venue from any jurisdiction or court in which any action, proceeding or litigation is commenced.

EACH GUARANTOR HEREBY WAIVES NOTICE OF ANY ADVERSE CHANGE IN THE CLIENT'S CONDITION OR OF ANY OTHER FACT, WHICH MIGHT MATERIALLY INCREASE SUCH GUARANTOR'S RISK, WHETHER OR NOT THE COMPANY HAS KNOWLEDGE OF THE SAME. EACH GUARANTOR ALSO HEREBY WAIVES ANY CLAIM, RIGHT OR REMEDY WHICH SUCH GUARANTOR MAY NOW HAVE OR HEREAFTER ACQUIRE AGAINST THE COMPANY THAT ARISES HEREUNDER AND/OR FROM THE PERFORMANCE BY ANY GUARANTOR HEREUNDER INCLUDING, WITHOUT LIMITATION, ANY CLAIM REMEDY OR RIGHT OF SUBROGATION, REIMBURSEMENT, EXONERATION, CONTRIBUTION, INDEMNIFICATION, OR PARTICIPATION IN ANY CLAIM, RIGHT OR REMEDY OF THE COMPANY AGAINST THE CLIENT OR ANY SECURITY WHICH THE COMPANY NOW HAS OR HEREAFTER ACQUIRES; WHETHER OR NOT SUCH CLAIM, RIGHT OR REMEDY ARISES IN EQUITY, UNDER CONTRACT, BY STATUTE, UNDER COMMON LAW OR OTHERWISE.

Each Guarantor hereby waives (i) notice of acceptance hereof and notice of extensions of credit given by the Company to the Client from time to time; (ii) presentment, demand, protest, and notice of non-payment or protest as to any note or other evidence of Indebtedness signed, accepted, endorsed or assigned to the Company by the Client, (iii) all exemptions and homestead laws; (iv) any other demands and notices required by law; and (v) any right to trial by jury.

The Company may at any time and from time to time, without notice to or the consent of any Guarantor, and without affecting or impairing the obligation of any Guarantor hereunder; (a) renew, extend or refinance any part or all of the Indebtedness of the Client, any co-Guarantor (whether hereunder or under a separate instrument) or any other party; (b) accept partial payments of the Indebtedness and apply such payments to any part of the Indebtedness; (c) settle, release (by operation of law or otherwise), compound, compromise, collect or liquidate, in any manner, any of the Indebtedness, Security or Collateral; (d) bid and purchase at any sale of any of the Agreements of Security; and (e) exercise any and all rights and remedies available to the Company by law or agreement even if the exercise thereof may affect, modify or eliminate any rights or remedies which a Guarantor may have against the Client. Each Guarantor shall continue to be liable under this Guaranty, the provisions hereof shall remain in full force and effect, and the Company shall not be estopped from exercising any rights hereunder, even if (i) the Company waives or fails to enforce any terms, covenants or conditions contained in any of the Agreements; (ii) release or failure on the part of the Company to perfect any security interest in or foreclose, proceed against, or

exhaust, any Security or Collateral; or (iii) the Company fails to take new, additional or substitute security or collateral for the Indebtedness.

As security for the payment and performance of all Guarantor's obligations under this Guaranty, Guarantor hereby transfers and grants to the Company a first priority security interest in all of Guarantor's presently-owned and hereafter-acquired personal and fixture property, wherever located, including, without limitation, all Accounts, Goods, Chattel Paper, Inventory, Equipment, Instruments, Investment Property, Documents, Deposit Accounts, Commercial Tort Claims, Letters-of-Credit Rights, General Intangibles including Payment Intangibles, Patents, Software Trademarks, Trade Names, Customer Lists, Supporting Obligations, all proceeds and products of the foregoing, including without limitation, insurance proceeds, lock box contents and proceeds from the accounts of the Client's account debtors (the "*Collateral*"). In the event of any breach by Guarantor under this Guaranty or any other obligation of Guarantor to the Company, the Company shall have all rights with respect to the aforesaid Collateral as a secured party under the applicable UCC laws as hereinafter provided.

Each Guarantor agrees that the Company may bring any legal proceedings it deems necessary to enforce any or all of such Guarantor's obligations hereunder in any court of competent jurisdiction, including the courts located in Charleston, South Carolina. Each Guarantor shall be liable for all attorney's fees and all other costs and expenses incurred by Company related to this Guaranty and the enforcement of this Guaranty. All rights and remedies of the Company are cumulative and not alternative. Each provision of this Guaranty is intended to be severable. If any term or provision hereof is declared to be contrary to, prohibited by or invalid under applicable laws or regulations shall be inapplicable and deemed omitted here from, but shall not invalidate the remaining terms and provisions hereof.

The parties to this Guaranty agree and acknowledge that the Company may assign, transfer, convey, hypothecate or pledge any or all of its rights and/or obligations under this Guaranty, the Agreements and other related documents to any person, including - but not limited to - any person or entity affiliated with the Company or another creditor, without the prior written consent of and without giving notice to the Guarantor. The Guarantor further acknowledges and agrees that any assignee, transferee and/or creditor will acquire and assume all interest and rights to payments, enforcement of obligations and claims, and will act in the stead of the Company in every regard whatsoever with respect to all rights and claims under this this Guaranty, the Agreements and other related documents. The Guarantor expressly agrees to this Section and acknowledges the validity of any future assignment, transfer, hypothecation or pledge without the prior written consent of and without giving notice to the Guarantor, and agrees that any assignment, transfer, hypothecation or pledge by the Company will not

be asserted as the basis for any defense or claim against the Company, transferee, assignee and/or creditor.

WAIVER OF TRIAL BY JURY. IN RECOGNITION OF THE HIGHER COSTS AND DELAY WHICH MAY RESULT FROM A JURY TRIAL AND, TO THE EXTENT PERMITTED BY LAW, THE PARTIES HERETO WAIVE ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (A) ARISING HEREUNDER, OR (B) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE, AND EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE ANY SUCH ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY A TRIAL WITHOUT A JURY, AND THAT ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

*[THIS SPACE LEFT BLANK]
[SIGNATURE PAGE TO FOLLOW]*

- 4 -

[Continuing Guaranty of Muninderpal Singh Rekhi a/k/a Bobby Rekhi]

IN WITNESS WHEREOF, the Guarantor has executed this Guaranty on
07/08/2024 .

Muninderpal Singh Rekhi



Muninderpal Singh Rekhi a/k/a Bobby Rekhi
Personally

Social Security Number 558-43-1559

- 5 -

[Signature Page – Continuing Guaranty of Muninderpal Singh Rekhi a/k/a Bobby Rekhi]



AUTHORIZATION TO RELEASE INFORMATION
BLANKET AUTHORIZATION

Business Name: BriteLab, Inc.

Business Address: 6341 San Ignacio Ave., San Jose, CA 95119

Business Telephone: 650-961-0671

I, Ali Bushehri, authorize all trade references, sources, banking and financial institutions, credit reporting agencies, and any other resource deemed necessary to release credit information to ClearCoast Capital, LLC or its designee(s). A photocopy, facsimile copy, scanned copy, or any other electronic form of this document shall remain as valid as the original.

I, Ali Bushehri, authorize all insurance agents to list ClearCoast Capital, LLC or its designee(s) as additional insured on our General Liability Policy and loss payee on our Commercial Auto Policy.

Applicant acknowledges that ClearCoast Capital, LLC, and /or its affiliates, successors and assigns, may conduct a credit investigation on applicant at any time throughout the contract term.

Thank you for your assistance.

Client Name: BriteLab, Inc.

Signature: _____

Ali Bushehri

Printed Name: _____



Date: _____

07/08/2024



FUNDING INSTRUCTIONS

BriteLab, Inc.

Welcome to ClearCoast! We look forward to this new partnership and working together to ensure your current and future growth. Below are instructions regarding our funding processes:

1). If you will not be coming into one of our offices for closing, please scan and email a copy of the signed, notarized documents to your Closing Coordinator. In addition, please overnight the original documents to our corporate office at 840 Lowcountry Blvd., Mount Pleasant, SC 29464.

The original documents must be sent to our corporate office no later than the next business day following execution.

2). For existing invoices, assemble copies of all invoices to be factored, along with all support information (signed delivery tickets, trip tickets, purchase orders, employee timesheets, etc.)

Exclude invoices:

- A) Subject to any dispute, offset or those over 45 days old.
- B) For customers with whom you buy and sell products or services.
- C) Not approved for funding by ClearCoast Capital.

3). We ask that you contact all customers for which we will be factoring invoices prior to funding. Please inform them of our relationship and let them know we will be contacting them shortly. This will promote a smooth transition for your customer and help us to serve you better.

4). You must prominently place our remittance address onto your original invoices:

ClearCoast Capital, LLC
P.O. Box 2323
Mount Pleasant, SC 29465

5). Funding is usually available within 24 hours of receipt of your invoice(s) and required supporting documentation.

6). Refunds from your reserve account on paid invoices will be returned to you every Friday, provided that you have no existing disputed invoices or invoices outstanding beyond 60 days from original invoice date.

7). Your account information is available through our online software, FactorFox. Your Account Manager will provide you with access to this software. Your login information is as follows:

Username: ali.bushehri@britelab.com
Password: Britelab24!



FUNDING INSTRUCTIONS

BriteLab, Inc.

Please indicate below how funds are to be delivered to your company (check one):

_____ Hold check at ClearCoast office for pick-up

_____ Send check via regular mail

_____ Wire transfer funds to my account (\$25 charge). Attach voided check.

Wiring Instructions – Please complete

EXACT Name on Bank Account: BriteLab, Inc. Chapter 11 DIP-Operating

Address on Bank Account: 6341 San Ignacio Ave., San Jose, CA 95119

Bank Name: East West Bank

Bank Telephone #: 626-768-6242

Bank Address, City, State, Zip: 135 N Los Robles, Suiye 600, Pasadena,

Bank Account #: 5500019292

Routing # (wire): 322070381

Routing # (ACH): 322070381

Signature:

Ali Bushehri

Date:



**A fee of up to 5% will be charged if the information provided is not correct and results in a returned wire.*



ACH AUTHORIZATION FORM

Dated: 07/08/2024

Customer Name: BriteLab, Inc.

Customer Address: 6341 San Ignacio Ave., San Jose, CA 95119

The Customer identified above hereby authorizes ClearCoast Capital, LLC (the "Company") to initiate entries into my deposit, checking or savings accounts with the financial institution identified below (the "Financial Account").

Financial Account Information	
Name of Financial Institution	East West Bank
Address of Financial Institution	15 N. Los Robles Ave., Suite 600, Pasadena, CA 91101
Checking or Savings	Checking
Exact Name on Account	BriteLab, Inc. Chapter 11 DIP-Operating
Routing/ABA Number:	322070381
Account Number:	5500019292

The Customer acknowledges that the origination of ACH transactions to the Financial Account must comply with the provisions of U.S. law. The Customer agrees to be bound by the ACH Rules as set forth by NACHA. The Customer further agrees that these Financial Accounts remain subject to their individual terms and conditions, rules and regulations imposed by the respected financial institution.

Signature: 

By: Ali Bushehri

Title: Chairman & CEO

*****Please attach a voided check*****



CLIENT CONTACT INFORMATION

(Please include all owners and staff that we will be working with)

Name: Ali Bushehri
Office Phone #: 510-409-4982
Cell Phone #: 510-409-4982
Home Phone #: 510-409-4982
Email Address: ali.bushehri@britelab.com
Position: CEO

Name: Muninderpal Singh Rekhi a/k/a Bobby Rekhi
Office Phone #: 4083152388
Cell Phone #: 4083152388
Home Phone #: 4083152388
Email Address: bobby_rekhi@yahoo.com
Position: Director

Name: _____
Office Phone #: _____
Cell Phone #: _____
Home Phone #: _____
Email Address: _____
Position: _____

Name: _____
Office Phone #: _____
Cell Phone #: _____
Home Phone #: _____
Email Address: _____
Position: _____

EXHIBIT "2"

1 RON BENDER (SBN 143364)
2 JOHN-PATRICK M. FRITZ (SBN 245240)
3 LEVENE, NEALE, BENDER,
4 YOO & GOLUBCHIK L.L.P.
5 2818 La Cienega Avenue
6 Los Angeles, California 90034
7 Telephone: (310) 229-1234
8 Facsimile: (310) 229-1244
9 Email: RB@LNBYG.COM; JPF@LNBYG.COM

10 Counsel for Chapter 11 Debtor and Debtor in Possession

11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

In re:

BRITELAB, INC.,
a Delaware corporation

Debtor and Debtor in Possession.

Case No.: 23-51520

Chapter 11 Case (Subchapter V)

**INTERIM ORDER AUTHORIZING
DEBTOR TO SELL ACCOUNTS
RECEIVABLE PURSUANT TO 11 U.S.C. §§
363(b) AND (f) AND GRANTING CLEAR
COAST CAPITAL, LLC A SUPER
PRIORITY SECURITY INTEREST
PURSUANT TO 11 U.S.C. §§ 364(c) AND (d)**

Emergency Interim Hearing:

Date: To be set by court
Time: To be set by court
Place: United States Courthouse
Courtroom 9
280 South First Street
San Jose, CA 95113-3099¹

¹ The hearing on this matter will take place remotely by video or telephone. No in-person appearance in the courtroom is available. The Bankruptcy Court's website provides information regarding how to arrange an appearance at a video or telephonic hearing. If you have questions about how to participate in a video or telephonic hearing, you may contact the courtroom deputy, Anna Lee, at (408) 278-7517 or email her at: anna_e_lee@canb.uscourts.gov. See also www.canb.uscourts.gov/calendars.

1 This matter is before the Court on the Debtor's motion of the debtor-in-possession in the above-
2 captioned case (the "**Debtor**") requesting entry of an interim order authorizing the Debtor to enter into a
3 post-petition financing arrangement with Clear Coast Capital, LLC (the "**DIP Lender**") by which the
4 Debtor will sell certain accounts receivable pursuant to 11 U.S.C. §§ 363(b) and (f) and granting super
5 priority, first position security interests pursuant to 11 U.S.C. §§ 364(c) and (d) of the Bankruptcy Code
6 (the "**Bankruptcy Code**") (the "**Interim Financing Motion**"). Based upon this Court's review of the
7 Interim Financing Motion, the record, and all matters brought to the Court's attention at the First Interim
8 Hearing pursuant to Bankruptcy Rule 4001(b)(2) and (c)(2), and after due deliberation and
9 consideration, the Court makes the following findings of fact and conclusions of law applicable to the
10 financing sought by Debtor from DIP Lender and Debtor's request to use cash collateral (to the extent
11 any findings of fact constitute conclusions of law, they are adopted as such, and *vice versa*):
12

13 THE COURT HEREBY FINDS AND DETERMINES:

14 A. On December 29, 2023 (the "**Petition Date**"), the Debtor filed a voluntary petition for relief
15 under Chapter 11 of Title 11 of the United States Code (the "**Bankruptcy Code**") in this Court (the
16 "**Chapter 11 Case**" or "**Case**"). The Debtor is continuing to operate its businesses and manage its
17 property as debtors-in-possession. No trustee or examiner has been appointed herein.
18

19 B. The Debtor has approximately 48 employees, operates its business from a leased location
20 consisting of approximately 52,600 rentable square feet located at 6341-6371 San Ignacio Avenue in San
21 Jose, California, and is in the business of highly-complex and precision-system engineering and assembly
22 for robotics, automation, and electro-mechanical contract engineering and contract manufacturing
23 industries.
24

25 C. An immediate and ongoing need exists for Debtor to obtain financing and use the cash
26 proceeds of the Collateral (as defined below) (the "**Cash Collateral**") to continue the operation of its
27
28

1 business as debtor-in-possession under Chapter 11 of the Bankruptcy Code, to minimize the disruption of
2 Debtor's business and to allow Debtor to pursue reorganization under Chapter 11. Despite diligent efforts,
3 Debtor has been unable to obtain financing in the form of unsecured credit allowable under
4 Section 503(b)(1) of the Bankruptcy Code as an administrative expense or solely in exchange for the
5 grant of a special administrative expense priority pursuant to Section 364(c)(1) of the Bankruptcy Code;
6 and Debtor is unable to obtain financing in the form of credit secured by liens that are junior to existing
7 liens on property of the estates pursuant to Sections 364(c)(2) and (c)(3) of the Bankruptcy Code.
8

9 D. Debtor has requested that DIP Lender establish a new secured factoring facility in favor of
10 Debtor (the "**DIP Facility**") pursuant to which Debtor may obtain advances from time to time (the "**DIP**
11 **Advances**"), up to \$3,000,000 in advances outstanding, upon the terms and conditions set forth herein and
12 in a Factoring and Security Agreement dated July __, 2024, which is attached to the Interim Financing
13 Motion (the "**Factoring Agreement**").
14

15 E. DIP Lender is willing to make DIP Advances, upon the terms and conditions set forth herein
16 and the Factoring Agreement on an interim basis until such time that the parties can execute final factoring
17 agreements and this Court can enter a final order on the DIP financing. DIP Lender's willingness to make
18 DIP Advances and other extensions of credit on an interim basis (collectively, the "**DIP Credit**
19 **Extensions**") is conditioned upon the DIP Lender receiving a first priority security interest in and lien upon
20 all of Debtor's pre-petition and post-petition assets (both real and personal), including, without limitation,
21 Debtor's accounts, inventory, equipment, fixtures, general intangibles, documents, instruments,
22 chattel paper, deposit accounts, letter-of-credit rights, commercial tort claims, causes of action, estate
23 causes of action, causes of action as against the Debtor's account-debtors under 11 U.S.C. §§ 541, 542,
24 543, 544, 546, 547, 548, 549, 550, contract rights, investment property, leasehold interests, supporting
25 obligations, cash, and books and records relating to any assets of Debtor and all cash and non-cash
26
27
28

1 proceeds (including insurance proceeds) of the foregoing, whether now in existence or hereafter created,
2 acquired or arising and wherever located (all such real and personal property, and the proceeds thereof,
3 being collectively hereinafter referred to as the “**Collateral**”), and that such liens have the first priority
4 hereinafter set forth.

5 F. Debtor has certified that a copy of the Interim Financing Motion (together with copies of
6 the Factoring Agreement) and notice of the Hearing have been served by electronic mail, telecopy
7 transmission, hand delivery, overnight courier and/or first-class United States mail upon the U.S. Trustee,
8 any subordinated Creditor, and any known lien creditors of Debtor, and all parties requesting notice.
9 The Court finds that notice of the Interim Financing Motion, as it relates to this Order, is sufficient for
10 all purposes under the Bankruptcy Code and the Bankruptcy Rules, including, without limitation,
11 Sections 102(1) and 364 of the Bankruptcy Code and Bankruptcy Rule 4001(b) and (c).
12

13 L. Good cause has been shown for the entry of this Order and authorization for Debtor to obtain
14 DIP Credit Extensions pursuant to the Factoring Agreement and to use Cash Collateral as hereinafter
15 provided. Debtor’s need for financing of the type afforded by the Factoring Agreement remains immediate
16 and critical. Entry of this Order will minimize disruption of Debtor’s business and operations, will preserve
17 the assets of Debtor’s estates and is in the best interests of Debtor, its creditors and its estates. The terms
18 of the proposed financing and use of Cash Collateral are fair and reasonable, reflect Debtor’s exercise of
19 business judgment and are supported by reasonably equivalent value and fair consideration.
20

21 M. Based upon the statements and any evidence presented at the Hearing on the Interim
22 Financing Motion, and the record in this Case as a whole, the terms of the Factoring Agreement and this
23 Order have been negotiated in good faith and at arm’s length between Debtor, on the one hand, and DIP
24 Lender, on the other. Therefore, all DIP Credit Extensions to Debtor pursuant to the Factoring Agreement
25
26
27
28

1 shall be deemed to have been made in good faith within the meaning of Section 364(e) of
2 the Bankruptcy Code.

3 N. This Court has jurisdiction to enter this Order pursuant to 28 U.S.C. §§ 157(b) and 1334.
4 Consideration of the Interim Financing Motion constitutes a core proceeding, as defined in 28 U.S.C.
5 § 157(b)(2).

6 NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED, as follows:

7 1. The Interim Financing Motion is GRANTED on an interim basis.

8 2. Capitalized terms not otherwise defined herein shall have the meanings given to them in the
9 Interim Financing Motion.
10

11 3. The Debtor is authorized to take DIP Credit Extensions in accordance with the Factoring
12 Agreement from time to time up to an aggregate advance amount outstanding at any time not to exceed
13 \$3,000,000.00, and to incur any and all liabilities and obligations thereunder and to pay all charges, fees,
14 expenses and other accruals and to satisfy all conditions precedent and perform all obligations hereunder
15 and thereunder in accordance with the terms hereof and thereof.
16

17 4. All DIP Credit Extensions, together with all charges, fees and other accruals (including,
18 without limitation, reasonable legal fees) at any time or times payable by Debtor to DIP Lender in
19 connection therewith or otherwise related to the Factoring Agreement (all such DIP Credit Extensions,
20 interest fees and other charges, including any “Obligations” as such term is defined in the DIP Credit
21 Agreement, are collectively called the “**DIP Obligations**”) shall be, and hereby are, secured by security
22 interests and liens in favor of DIP Lender with respect to all of the Collateral (collectively, the “**DIP**
23 **Liens**”) The DIP Liens shall have super priority pursuant to Section 364(d) and Section 510(a) of the
24 Bankruptcy Code, and the DIP Liens shall prime and shall be senior in priority to all pre-petition liens and
25 security interests with respect to any of the Collateral.
26
27
28

1 5. The DIP Liens shall be deemed valid, binding, enforceable and perfected upon entry of this
2 Order. DIP Lender shall not be required to file any UCC-1 financing statements, fixture filings, mortgages,
3 deeds of trust, intellectual property filings, security deeds, notices of lien or any similar document or take
4 any other action (including possession of any of the Collateral) in order to validate the perfection of the
5 DIP Liens. DIP Lender may, in its discretion, file a certified copy of this Order, UCC-1 financing
6 statements, fixture filings, mortgages, deeds of trust, intellectual property filings, security deeds, notices of
7 lien or any similar document in any filing office in any jurisdiction in which Debtor is organized or has or
8 maintains any Collateral or an office, and each filing office is directed to accept such certified copy of this
9 Order for filing and recording.
10

11 6. DIP Lender is authorized to affix and sign Debtor's or its corporate representative's
12 signature to notifications under Section 9-406 of the UCC (a "*Notice of Assignment*") and send Notices of
13 Assignment to all the Account Debtors of Debtor directing them to remit payment on Accounts directly to
14 Purchaser. Debtor is authorized to communicate directly with Account Debtors to verify the amount,
15 validity or any matter relating to any Account and may charge back aged Accounts and substitute with
16 other Accounts, proceeds from other Collateral, apply payments from other Accounts, amounts in escrow,
17 or the Reserve Account. Once a Notice of Assignment is sent to an Account Debtor, the Debtor shall
18 indicate on the invoices reflecting the Accounts that DIP Lender is the assignee of the account and DIP
19 Lender's address and banking information so remittances can be made directly to DIP Lender. The DIP
20 Lender shall not be obligated to release any Notice of Assignments or other security interests granted to
21 DIP Lender unless Debtor has satisfied all of its obligations to DIP under the Factoring Agreement or is
22 order by the Court.
23
24

25 7. Unless the non-payment of a Purchased Account is due to the insolvency of the Account
26 Debtor, DIP Lender shall have the right to require the Debtor to repurchase a Purchased Account if it
27
28

1 remains unpaid after payment due date set forth on the invoice, and if not repurchased, DIP Lender shall
2 have the right to charge back the Purchased Account after ninety (90) days after the invoice date.

3 8. The DIP Obligations shall be due and payable, and shall be paid, as and when provided in
4 the Factoring Agreement, without offset or counterclaim.

5 9. All proceeds realized from any Collateral shall be remitted directly to the DIP Lender,
6 through a lock-box or other similar facility under the sole control of the DIP Lender DIP Obligations. The
7 Debtor is expressly prohibited from receiving and retaining any payments made on accounts that have been
8 pledged as Collateral under the Factoring Agreement to secure the DIP Obligations. Such proceeds shall
9 be remitted to the DIP Lender and applied to the DIP Obligations.
10

11 10. Upon or after the occurrence of a **“Default”** under (and as defined in) the Factoring
12 Agreement, including, without limitation, an Event of Default resulting from Debtor’s failure to cure within
13 five (5) business days after notice of any of the following events or conditions: (a) 25% or more of the face
14 value of the purchased accounts have aged ninety (90) days without payment; (b) Debtor fails to pay any
15 charges or fees; (c) any of the representations and warranties are untrue; (e) Debtor fails to adhere to and
16 comply with any other of its obligations in the Factoring Agreement; or (d) DIP Lender reasonably deems
17 itself insecure in its expectation that Debtor will fully perform all of its obligations under the Factoring
18 Agreement. Then, in any such event, DIP Lender shall be fully authorized, in its sole discretion, to
19 terminate further DIP Credit Extensions under the Factoring Agreement, to demand payment of all DIP
20 Obligations, and, upon ten (10) business days’ prior written notice to counsel for Debtor, the Subchapter
21 V Trustee, the U.S. Trustee, and all parties requesting notice in the Chapter 11 Case to enforce the DIP
22 Liens with respect to the Collateral and to take all other action and exercise all other remedies under
23 applicable law that may be necessary or deemed appropriate by DIP Lender to collect any of the DIP
24 Obligations, to proceed against or realize upon all or any portion of the Collateral as if the Chapter 11 Case
25
26
27
28

1 or any superseding Chapter 7 case was not pending and otherwise to enforce the Factoring Agreement and
2 this Order. Said right to exercise remedies is without prejudice to the right of the Debtor or Committee to
3 file a motion seeking to stay or prohibit the exercise of such remedies for cause shown or to contest that an
4 Event of Default has occurred. The rights, remedies, powers and privileges conferred upon DIP Lender
5 pursuant to this Order shall be in addition to, and cumulative with, those contained in the Factoring
6 Agreement.

7
8 11. All reasonable costs and expenses incurred by DIP Lender in connection with the
9 negotiation and drafting of the DIP Financing Documents, or any amendments thereto, the preservation,
10 perfection, protection and enforcement of DIP Lender's rights hereunder or under the Factoring
11 Agreement, or in the collection of the DIP Obligations, including, without limitation, all filing and
12 recording fees and reasonable fees and expenses of attorneys, accountants, appraisers and other
13 professionals incurred by DIP Lender in connection with any of the foregoing, whether any of the
14 foregoing were incurred prior to or after the Petition Date, shall form a part of the DIP Obligations and
15 shall be paid by Debtor in accordance with the terms of the DIP Financing Documents. Fees and expenses
16 incurred by professionals retained by DIP Lender in order to enforce the DIP Liens, realize upon or
17 liquidate the Collateral or otherwise collect the DIP Obligations upon the occurrence of an Event of Default
18 by the Debtor under this Order or the DIP Financing Documents are subject to this Court's approval
19 pursuant to separate Order of the Court.
20

21 12. This Order shall constitute a valid, binding obligation of the Debtor enforceable against the
22 Debtor in accordance with its terms.
23

24 13. The automatic stay provisions of Section 362 of the Bankruptcy Code are hereby lifted and
25 terminated as to DIP Lender to the extent necessary to implement the provisions of this Order and the
26 Factoring Agreement, thereby permitting DIP Lender to receive collections of Collateral for application to
27
28

1 the DIP Obligations as provided herein, to file or record any UCC-1 financing statements, fixture filings,
2 mortgages, deeds of trust, security deeds and other instruments and documents evidencing or validating the
3 perfection of the DIP Liens and to enforce the DIP Liens upon Event of Default subject to the prior notice
4 provisions of this Order.

5 14. Neither DIP Lender nor the Debtor shall be required to take any action or obtain any
6 additional orders to enjoy the benefits and/or protections of this Order. Nothing herein is intended,
7 however, to waive any rights of DIP Lender to request any relief it may believe is appropriate, including
8 to seek additional adequate protection of its interests in its collateral, relief from the automatic stay,
9 conversion of the cases, to propose a plan of reorganization or liquidation, to object to a plan of
10 reorganization, or any other relief or remedies that may be available to DIP Lender under bankruptcy or
11 non-bankruptcy law.
12

13 15. The provisions of this Order shall be binding upon DIP Lender and the Debtor and their
14 respective successors and assigns (including any Trustee hereinafter appointed for the estate of the Debtor)
15 and inure to the benefit of DIP Lender and the Debtor and their respective successors and assigns.
16

17 16. By consenting to this Order, making DIP Credit Extensions or administering the financing
18 relationship with Debtor, DIP Lender shall not be deemed to be in control of Debtor or its operations or to
19 be acting as a “responsible person,” “managing agent”, “mortgagee in possession” or “owner or operator”
20 (as such terms are defined in the United States Comprehensive Environmental Response, Compensation
21 and Liability Act, as amended, or any similar state or federal statute) with respect to the operation or
22 management of Debtor.
23

24 17. The Debtor is authorized to borrow a bridge loan of up to \$750,000 from BSC Investment
25 Group, Inc., at 0% interest with a maturity date of August 31, 2024, pursuant to 11 U.S.C. § 364(b).
26
27
28

1 18. The notice given by the Debtor of the Interim Financing Motion and the final hearing on the
2 financing motion constitutes due and sufficient notice in accordance with the Bankruptcy Rules and the
3 Local Rules of this Court.

4 19. The Court will hold a final hearing on the Motion on _____, 2024, at __: __.m.
5 Opposition to the Motion shall be filed with the Court by no later than _____, 2024. The Debtor shall
6 file its reply to oppositions by no later than _____, 2024.

7
8 20. Upon entry of this Order, the Debtor shall serve (by first class mail, postage prepaid or
9 overnight delivery) copies of this Order on the Debtor's twenty largest unsecured creditors as identified in
10 its Chapter 11 petition.

11 **IT IS SO ORDERED.**

12 ***** END OF ORDER *****

EXHIBIT "3"

TYPE		Y2024 CASHFLOW PROJECTION (Updated 06/30/2024)												2024 TOTAL
	DESCRIPTION / MONTH	Actual					PLAN EFFECTIVE DATE OCTOBER 2024							
		JAN '24	FEB '24	MAR '24	APR '24	MAY '24	JUN '24	JUL'24	AUG '24	SEP'24	OCT '24	NOV'24	DEC '24	
Revenue	Revenue Projection							249,324	856,402	1,033,416	1,659,744	1,683,156	1,734,363	7,216,405
BEGINNING CASH	BEGINNING BALANCE	92,245	29,584	168,706	44,224	143,676	(6,078)	(1,419)	6,583	77,489	201,250	161,461	205,569	92,245
CASH IN	AR: Customers	534,102	553,572	366,109	770,520	316,458	150,881	139,750	872,115	998,014	1,534,478	1,678,474	1,724,122	9,638,593
	Loan (Borrowing)							750,000						750,000
	PO Borrowing								423,701	680,495	690,094	711,089	808,739	3,314,117
	AR Borrowing								741,297	848,312	1,304,306	1,426,702	1,465,503	5,786,121
	BSC						195,000							195,000
	TOTAL CASH IN	626,347	583,156	534,814	814,744	460,134	339,803	888,331	2,043,696	2,604,309	3,730,128	3,977,725	4,203,932	19,776,076
MONTH		JAN '24	FEB '24	MAR '24	APR '24	MAY '24	JUN '23	JUL'24	AUG '24	SEP'24	OCT '24	NOV'24	DEC '24	TOTAL
CASH OUT - OPERATING ACTIVITIES	AP & (COD/CIA) Material Purchases	57,257	8,062	11,345	89,766	31,893	15,328	351,125	423,701	680,495	690,094	711,089	808,739	3,878,893
	PO Payback									423,701	680,495	690,094	711,089	2,505,378
	AR Payback									593,038	826,909	1,213,107	1,402,223	4,035,278
	PO and AR Financing Cost										30,291	45,511	55,516	131,318
	Bldg Rent/CAM	0	30,000	60,000	90,000	90,000	0	90,000	180,000	90,000	92,755	92,755	92,755	908,265
	Payroll	411,566	280,739	328,397	354,806	262,400	230,552	300,000	343,659	353,969	450,000	450,000	450,000	4,216,088
	Benefit	49,260	52,216	49,401	48,572	45,151	48,719	75,000	85,915	88,492	112,500	112,500	112,500	880,227
	Commission/Incentive	0	0	0	21,469	0	0	10,000	87,211	99,801	153,448	167,847	172,412	712,189
	Tools & Supplies	152	162	31	843	481	53	3,000	3,000	4,000	5,000	5,000	5,000	26,722
	R&D: Expense	0	0	0	0	0	0	0	0	0	88,928	100,000	100,000	288,928
	Office Expenses	0	0	5,028	5,365	6,612	1,094	5,000	7,000	8,000	9,000	10,000	10,000	67,100
	Legal & Professional Service	5,000	12,550	9,075	18,439	4,000	3,345	13,500	12,000	12,000	24,000	12,000	15,500	141,409
	IT Software & Service	7,791	9,111	10,170	13,148	13,680	5,593	5,000	5,000	5,000	5,000	5,000	5,000	89,493
	Insurance Installment	12,776	0	6,346	10,794	3,096	10,379	3,096	10,759	3,096	12,000	3,100	9,097	84,538
	S&M/T&E	33,613	13,819	7,492	10,749	6,974	17,544	15,000	16,700	16,700	16,700	16,700	16,700	188,691
	Loan Payback								750,000					750,000
	Facilities/OH	0	0	305	6,537	0	7,702	4,527	20,262	18,267	18,267	20,262	18,267	114,398
	Others	19,348	7,790	3,000	579	1,926	913	6,500	21,000	6,500	6,500	6,500	6,500	87,056
	TOTAL CASH OUT - OPERATING ACTIVITIES	596,763	414,450	490,590	671,067	466,213	341,222	881,748	1,966,207	2,403,059	3,221,887	3,661,466	3,991,298	19,105,970
CASH BALANCE		29,584	168,706	44,224	143,676	(6,078)	(1,419)	6,583	77,489	201,250	508,242	316,260	212,634	670,106
CREDITORS	Creditors (\$2.57MM)										37,260	47,439	31,895	116,594
	Priority IRS Taxes										3,141			3,141
	Priority PTO Claims										6,700			6,700
	Chapter 11 Professionals										250,000			250,000
	Loan (\$4.47MM)										49,680	63,252	42,527	155,459
	Total Creditors and Loan										346,781	110,691	74,422	531,894
ENDING CASH		29,584	168,706	44,224	143,676	(6,078)	(1,419)	6,583	77,489	201,250	161,461	205,569	138,212	

Y2025 CASHFLOW PROJECTION												2025 TOTAL
JAN '25	FEB '25	MAR '25	APR '25	MAY '25	JUN '25	JUL '25	AUG '25	SEP '25	OCT '25	NOV '25	DEC '25	
1,972,533	2,000,000	2,060,000	2,121,800	2,185,454	2,251,018	2,318,548	2,388,105	2,459,748	2,533,540	2,609,546	2,687,833	27,588,124
138,212	145,142	134,176	95,440	86,248	102,878	112,686	128,984	170,310	197,488	230,120	276,976	1,818,658
1,924,899	1,994,507	2,048,000	2,109,440	2,172,723	2,237,905	2,305,042	2,374,193	2,445,419	2,518,782	2,594,345	2,672,175	27,397,430
												0
820,000	844,600	869,938	896,036	922,917	950,605	979,123	1,008,497	1,038,751	1,069,914	1,102,011	1,135,072	11,637,464
1,636,164	1,695,331	1,740,800	1,793,024	1,846,815	1,902,219	1,959,286	2,018,064	2,078,606	2,140,964	2,205,193	2,271,349	23,287,816
												0
4,519,275	4,679,579	4,792,914	4,893,940	5,028,703	5,193,607	5,356,136	5,529,738	5,733,087	5,927,148	6,131,670	6,355,572	64,141,368
JAN '25	FEB '25	MAR '25	APR '25	MAY '25	JUN '25	JUL '25	AUG '25	SEP '25	OCT '25	NOV '25	DEC '25	TOTAL
808,739	820,000	844,600	869,938	896,036	922,917	950,605	979,123	1,008,497	1,038,751	1,069,914	1,102,011	11,311,131
808,739	820,000	844,600	869,938	896,036	922,917	950,605	979,123	1,008,497	1,038,751	1,069,914	1,102,011	11,311,131
1,457,743	1,602,032	1,683,497	1,731,706	1,782,579	1,836,057	1,891,138	1,947,872	2,006,309	2,066,498	2,128,493	2,192,348	22,326,272
61,010	65,963	69,981	72,915	75,045	77,270	79,588	81,976	84,435	86,968	89,577	92,264	936,991
94,401	94,401	94,401	94,401	94,401	94,401	94,401	94,401	94,401	96,912	96,912	96,912	1,140,344
500,000	500,000	515,000	525,000	525,000	540,750	550,000	550,000	566,500	580,000	580,000	597,400	6,529,650
125,000	125,000	128,750	131,250	131,250	135,188	137,500	137,500	141,625	145,000	145,000	149,350	1,632,413
192,490	199,451	204,800	210,944	217,272	223,790	230,504	237,419	244,542	251,878	259,435	267,218	2,739,743
5,000	5,000	5,000	5,000	5,000	5,000	6,000	6,000	6,000	6,000	6,000	6,000	66,000
150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,800,000
10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	360,000
5,500	6,000	6,500	7,000	7,500	8,000	8,500	9,000	9,500	10,000	10,000	10,000	97,500
0	0	13,645	0	0	13,645	0	0	13,645	0	0	13,645	54,582
20,000	20,000	20,000	25,000	25,000	25,000	30,000	30,000	30,000	35,000	35,000	35,000	330,000
												0
20,859	18,809	18,809	20,859	18,809	18,809	20,859	18,809	18,809	20,859	18,809	18,809	233,907
6,500	6,500	6,500	7,300	6,500	6,500	18,000	6,500	6,500	6,500	6,500	6,500	90,300
4,295,980	4,473,155	4,646,083	4,761,251	4,870,429	5,020,244	5,157,700	5,267,723	5,429,259	5,573,118	5,705,553	5,879,469	61,079,964
223,295	206,424	146,830	132,689	158,274	173,363	198,437	262,015	303,828	354,031	426,117	476,104	3,061,405
33,494	30,964	22,025	19,903	23,741	26,004	29,766	39,302	45,574	53,105	63,917	71,416	459,211
44,659	41,285	29,366	26,538	31,655	34,673	39,687	52,403	60,766	70,806	85,223	95,221	612,281
78,153	72,248	51,391	46,441	55,396	60,677	69,453	91,705	106,340	123,911	149,141	166,636	1,071,492
145,142	134,176	95,440	86,248	102,878	112,686	128,984	170,310	197,488	230,120	276,976	309,467	

Y2026 CASHFLOW PROJECTION												2026 TOTAL
JAN '26	FEB '26	MAR '26	APR '26	MAY '26	JUN '26	JUL '26	AUG '26	SEP '26	OCT '26	NOV '26	DEC '26	
2,768,468	2,851,522	2,937,067	3,025,179	3,115,935	3,209,413	3,305,695	3,404,866	3,507,012	3,612,222	3,720,589	3,832,207	39,290,176
309,467	288,122	302,147	312,176	347,104	400,691	438,241	479,648	547,092	595,692	660,705	738,961	309,467
2,752,341	2,834,911	2,919,958	3,007,557	3,097,784	3,190,717	3,286,439	3,385,032	3,486,583	3,591,180	3,698,916	3,809,883	39,061,301
												0
1,169,124	1,204,198	1,240,324	1,277,533	1,315,859	1,355,335	1,395,995	1,437,875	1,481,011	1,525,442	1,571,205	1,618,341	16,592,241
2,339,490	2,409,674	2,481,965	2,556,423	2,633,116	2,712,110	2,793,473	2,877,277	2,963,595	3,052,503	3,144,078	3,238,401	33,202,106
												0
6,570,422	6,736,904	6,944,393	7,153,690	7,393,863	7,658,853	7,914,148	8,179,832	8,478,282	8,764,818	9,074,904	9,405,586	89,165,116
JAN '26	FEB '26	MAR '26	APR '26	MAY '26	JUN '26	JUL '26	AUG '26	SEP '26	OCT '26	NOV '26	DEC '26	TOTAL
1,135,072	1,169,124	1,204,198	1,240,324	1,277,533	1,315,859	1,355,335	1,395,995	1,437,875	1,481,011	1,525,442	1,571,205	16,108,972
1,135,072	1,169,124	1,204,198	1,240,324	1,277,533	1,315,859	1,355,335	1,395,995	1,437,875	1,481,011	1,525,442	1,571,205	16,108,972
2,258,118	2,325,862	2,395,637	2,467,507	2,541,532	2,617,778	2,696,311	2,777,200	2,860,516	2,946,332	3,034,722	3,125,763	32,047,277
95,032	97,883	100,820	103,844	106,959	110,168	113,473	116,878	120,384	123,995	127,715	131,547	1,348,698
118,271	118,271	118,271	118,271	118,271	118,271	118,271	118,271	118,271	118,271	118,271	118,271	1,419,254
600,000	600,000	618,000	630,000	630,000	648,900	660,000	660,000	679,800	693,000	693,000	713,790	7,826,490
150,000	150,000	154,500	157,500	157,500	162,225	165,000	165,000	169,950	173,250	173,250	178,448	1,956,623
275,234	283,491	291,996	300,756	309,778	319,072	328,644	338,503	348,658	359,118	369,892	380,988	3,906,130
8,000	8,000	8,000	8,000	8,000	8,000	10,000	10,000	10,000	10,000	10,000	10,000	108,000
200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,400,000
15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	180,000
40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	480,000
20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	240,000
0	0	18,194	0	0	18,194	0	0	18,194	0	0	18,194	72,776
50,000	50,000	50,000	50,000	50,000	50,000	60,000	60,000	60,000	60,000	60,000	60,000	660,000
												0
20,859	18,809	18,809	20,859	18,809	18,809	20,859	18,809	18,809	20,859	18,809	18,809	233,907
6,500	6,500	6,500	7,300	6,500	6,500	18,000	6,500	6,500	6,500	6,500	6,500	90,300
6,127,158	6,272,064	6,464,122	6,619,684	6,777,416	6,984,635	7,176,228	7,338,151	7,561,832	7,748,348	7,938,042	8,179,719	85,187,399
443,264	464,841	480,271	534,006	616,447	674,217	737,920	841,681	916,450	1,016,470	1,136,863	1,225,866	3,977,717
66,490	69,726	72,041	80,101	92,467	101,133	110,688	126,252	137,467	152,470	170,529	183,880	1,363,244
88,653	92,968	96,054	106,801	123,289	134,843	147,584	168,336	183,290	203,294	227,373	245,173	1,817,659
155,142	162,694	168,095	186,902	215,757	235,976	258,272	294,588	320,757	355,764	397,902	429,053	3,180,903
288,122	302,147	312,176	347,104	400,691	438,241	479,648	547,092	595,692	660,705	738,961	796,813	

Y2027 CASH FLOW PROJECTION													Y2027 TOTAL
JAN '27	FEB '27	MAR '27	APR '27	MAY '27	JUN '27	JUL '27	AUG '27	SEP '27	OCT '27	NOV '27	DEC '27		
3,947,173	4,065,588	4,187,556	4,313,183	4,442,578	4,575,855	4,713,131	4,854,525	5,000,161	5,150,166	5,304,670	5,463,811	56,018,396	
796,813	833,039	894,464	921,948	1,233,484	1,533,656	1,860,022	2,796,753	3,803,067	4,833,560	5,944,115	7,130,706	796,813	
3,924,180	4,041,905	4,163,162	4,288,057	4,416,699	4,549,200	4,685,676	4,826,246	4,971,034	5,120,165	5,273,769	5,431,983	55,692,075	
												0	
1,666,891	1,716,898	1,768,405	1,821,457	1,876,101	1,932,384	1,990,355	2,050,066	2,111,568	2,174,915	2,240,162	2,307,367	23,656,569	
3,335,553	3,435,619	3,538,688	3,644,849	3,754,194	3,866,820	3,982,824	4,102,309	4,225,379	4,352,140	4,482,704	4,617,185	47,338,264	
												0	
9,723,437	10,027,461	10,364,720	10,676,311	11,280,478	11,882,059	12,518,878	13,775,374	15,111,047	16,480,779	17,940,751	19,487,241	159,268,538	
JAN '27	FEB '27	MAR '27	APR '27	MAY '27	JUN '27	JUL '27	AUG '27	SEP '27	OCT '27	NOV '27	DEC '27	TOTAL	
1,618,341	1,666,891	1,716,898	1,768,405	1,821,457	1,876,101	1,932,384	1,990,355	2,050,066	2,111,568	2,174,915	2,240,162	22,967,542	
1,618,341	1,666,891	1,716,898	1,768,405	1,821,457	1,876,101	1,932,384	1,990,355	2,050,066	2,111,568	2,174,915	2,240,162	22,967,542	
3,219,536	3,316,122	3,415,606	3,518,074	3,623,616	3,732,325	3,844,295	3,959,624	4,078,412	4,200,765	4,326,788	4,456,591	45,691,755	
135,493	139,558	143,745	148,057	152,499	157,074	161,786	166,639	171,639	176,788	182,091	187,554	1,922,922	
123,209	123,209	123,209	123,209	123,209	123,209	123,209	123,209	123,209	123,209	123,209	123,209	1,478,510	
720,000	720,000	741,600	756,000	756,000	778,680	660,000	660,000	679,800	693,000	693,000	713,790	8,571,870	
180,000	180,000	185,400	189,000	189,000	194,670	165,000	165,000	169,950	173,250	173,250	178,448	2,142,968	
392,418	404,191	416,316	428,806	441,670	454,920	468,568	482,625	497,103	512,016	527,377	543,198	5,569,208	
10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000	
250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	3,000,000	
15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	180,000	
40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	480,000	
20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	240,000	
0	0	22,742	0	0	22,742	0	0	22,742	0	0	22,742	90,970	
60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	720,000	
												0	
32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	384,000	
7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	90,000	
8,441,838	8,651,362	8,916,914	9,134,456	9,363,408	9,650,322	9,722,125	9,972,307	10,277,488	10,536,664	10,810,045	11,140,357	116,617,286	
1,281,598	1,376,099	1,447,805	1,541,856	1,917,070	2,231,738	2,796,753	3,803,067	4,833,560	5,944,115	7,130,706	8,346,884	42,651,252	
192,240	206,415	236,296										634,950	TOTAL
													2,574,000
													3,141
													6,700
													250,000
256,320	275,220	289,561	308,371	383,414	371,716							1,884,601	4,470,000
448,559	481,635	525,857	308,371	383,414	371,716	0	0	0	0	0	0	2,519,552	
833,039	894,464	921,948	1,233,484	1,533,656	1,860,022	2,796,753	3,803,067	4,833,560	5,944,115	7,130,706	8,346,884		

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
2818 La Cienega Avenue, Los Angeles, California 90034

A true and correct copy of the foregoing document entitled (*specify*): **Debtor's Emergency Motion for an Order (I) Authorizing Debtor to Obtain Post-petition Financing Pursuant to 11 U.S.C. § 364(c) & (d) on an Interim Basis; (II) Setting a Hearing on Final Basis; and (III) Granting Related Relief; Memorandum of Points and Authorities** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) **July 10, 2024**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- Todd M. Arnold tma@lnbyg.com
- Ron Bender rb@lnbyg.com
- Corrine Bielejeski Corrine@EastBayBkLaw.com, EastBayBkLaw@gmail.com
- Trevor Ross Fehr trevor.fehr@usdoj.gov
- John-Patrick M. Fritz jpf@lnbyg.com, JPF@ecf.inforuptcy.com
- Gina R. Klump gklump@klumplaw.net, C204@ecfbis.com
- Office of the U.S. Trustee / SJ USTPRegion17.SJ.ECF@usdoj.gov
- Gregory S. Powell greg.powell@usdoj.gov, Tina.L.Spyksma@usdoj.gov
- Julie H. Rome-Banks julie@bindermalter.com
- Cheryl C. Rouse rblaw@ix.netcom.com

2. SERVED BY UNITED STATES MAIL: On (*date*) **July 10, 2024**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) **July 10, 2024**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

by Overnight Mail

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

July 10, 2024
Date

J. Klassi
Printed Name

/s/ J. Klassi
Signature

Britelab, Inc.
File No. 10277
RSN (Debtor) and 20 Largest

20 Largest

Tony
CPK Manufacturing, Inc.
2188 Del Franco St.
Suite 70
San Jose, CA 95131

Ken Burgess
Chamisa Technology, LLC
300 Menaul Blvd. NE
Suite A257
Albuquerque, NM 87107

Robin Lee/Nancy Fu
Eastek International Corp.
PO Box 88261
Dept A
Chicago, IL 60680

FedEx CA_3875-69006
P.O. Box 7221
Pasadena, CA 91109-7321

Amy Dedri Gilbert Encinas
Future Electronics
135 S. La Salle Street
Dept. 3261
Chicago, IL 60674-3261

Legal Department
Globalization Partners, LLC
175 Franklin Street, 17th Floor
Boston, MA 02110

Dawn Massa Stancavish
Massa Products Corporation
280 Lincoln Street
Hingham, MA 02043-1796

Rosalind
Onto Innovations, Inc. dba NANOMETRICS
1550 Buckeye Drive
Milpitas, CA 95035

Rosalind
Onyx Healthcare USA
324 West Blueridge Ave
Orange, CA 92865

Sa Lee
PHC GCM Korea
76 Oseongsandan-ro, Oseong-myeon
S. Korea

Roger Fields
Peninsula Land & Capital
2390 El Camino Real
Suite 210
Palo Alto, CA 94306

Carl Pallister
Polymetallurgical LLC
P.O. Box 736070
Dallas, TX 75373-6070

Milly Mai
SuNPe Prototype (HK) Co.,L
Limited GaoSha Industry Zon, Donsheng
To
China

Vishal R. Kyatham
Sun KPO Inc.
63 Summer Hill Ct.
Danville, CA 94526

Virgil Chen
Sunnytech Circuit Assembly
150 River Oaks Pkwy
Suite 100
San Jose, CA 95134

Lee Min Ho
Unique Technos Co. Ltd
136, Jiksan-ro, Jiksan-eup, Seobuk-gu
S. Korea

WCP_Woodside Capital Partners Internatio
2650 Birch Street
Suite 100
Palo Alto, CA 94306

Joann Souza
XP POWER INC.
PO Box 102578
Pasadena, CA 91189-2578

XYZ Automation
180 Chandalar Place Dr.
Pelham, AL 35124

Yeong-Sae Kim
1700 Wyatt Dr.
Suite 9
Santa Clara, CA 95054

RSN

BriteLab, Inc.
6341 San Ignacio Ave.
San Jose, CA 95119

Attorneys for Landlord and Creditor
Peninsula Land and Capital, Inc. (NEF)
JULIE H. ROME-BANKS
Binder Malter Harris & Rome-Banks LLP
2775 Park Avenue
Santa Clara, CA 95050

Updated address
PHI
18858 Montalvo Oaks Cir.
Monte Sereno, CA 95303